

HAMPSHIRE CULTURAL TRUST

England & Wales · Charity number 1158583

Details

Other names HCT

Status Registered

Legal form Charitable company

Company number [08986225](#)

Registered 2014-09-16

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: THE CHARITY'S OBJECTIVES (THE OBJECTS) ARE:(A) TO PROMOTE, MAINTAIN AND IMPROVE THE PUBLIC'S UNDERSTANDING AND APPRECIATION OF THE ARTS, INCLUDING BY:(I) ESTABLISHING AND MAINTAINING MUSEUMS AND ART GALLERIES FOR THE BENEFIT OF THE PUBLIC;(II) PROVIDING COMMUNITY ARTS CENTRES AND COMMUNITY ARTS PROGRAMMES FOR THE BENEFIT OF THE PUBLIC; AND(III) BY SUCH OTHER MEANS AS THE TRUSTEES MAY DETERMINE; AND(B) TO ADVANCE THE EDUCATION OF THE PUBLIC IN THE HISTORY AND HERITAGE OF HAMPSHIRE AND THE WIDER AREA OF THE SOUTH OF ENGLAND, INCLUDING BY:(I) ACQUIRING, PRESERVING AND EXHIBITING, FOR THE BENEFIT OF THE PUBLIC, LANDS AND TENEMENTS (INCLUDING BUILDINGS) OF BEAUTY OR HISTORIC INTEREST WITH A VIEW TO EDUCATING THE PUBLIC IN THE HISTORICAL SIGNIFICANCE OF SUCH LANDS AND TENEMENTS IN THE HERITAGE OF THE NATION AND THE LOCAL AREA;(II) PRESERVING, FOR THE BENEFIT OF THE PUBLIC, FURNITURE, PICTURES AND CHATTELS OF ANY DESCRIPTION HAVING NATIONAL AND LOCAL HISTORIC OR ARTISTIC INTEREST WITH A VIEW TO EDUCATING THE PUBLIC IN THE HISTORICAL SIGNIFICANCE OF SUCH FURNITURE, PICTURES AND CHATTELS IN THE HERITAGE OF THE NATION AND THE LOCAL AREA; AND(III) BY SUCH OTHER MEANS AS THE TRUSTEES MAY DETERMINE.

Activities: The trust champions world-class culture and exists to showcase, connect and empower Hampshire's creative economy. The charity works collaboratively to bring organisations, people and ideas together for greater impact. Our vision We will strive to be the champion of world-class culture in Hampshire Our mission To showcase, connect and empower Hampshire's culture and creative economy

Classification

- **How:** Provides Services
- **What:** Arts/culture/heritage/science
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** HAMPSHIRE
- Hampshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£9,091,131	£9,498,824	£2,122,256	244
2024-03-31	£9,251,219	£9,059,735	£2,529,949	264
2023-03-31	£8,368,656	£9,025,629	£2,338,465	259
2022-03-31	£7,711,748	£7,627,502	£2,430,859	189
2021-03-31	£5,965,467	£5,545,657	£2,346,613	214

Trustees

Name	Role	Appointed
Thomas Charles Knox Wright	Chair	2025-01-27
Anna Blackman		2020-09-25
Anthony Hugh McNaughtan		2022-07-01
Claire Benita Miller		2023-02-24
Councillor Lucille Diane Thompson		2021-07-30
David Edward Eminton		2026-04-08
Emma Back		2019-04-14
Helene Louise West		2020-09-25
James Robert Zalles Croxford		2023-06-14
James Winkworth		2019-04-14
Karen Davina Chillman		2023-05-25
Mark Torr Brett		2023-05-25

HAMPSHIRE CULTURAL TRUST

England & Wales - Charity number 1158583

Accounts

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

**TRUSTEES' ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

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

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Hampshire Cultural Trust
Company number: 08986225

Trustees' report

Reference and Administrative Details

Company registered number	08986225
Charity registered number	1158583
Registered office and principal address	Chilcomb House, Chilcomb Lane, Winchester SO23 8RD
Website	www.hampshireculture.org.uk
Directors and Trustees	Alan Lovell (Chairman) Emma Back Anna Blackman Jacqueline Branson (appointed 21 February 2025) Mark Brett Karen Chillman James Croxford Keith Mans (resigned 22 November 2024) Hugh McNaughtan Claire Miller Lucille Thompson Helene West James Winkworth Thomas Wright (appointed 27 January 2025)
Company Secretary	Victoria Donkin (resigned 17 May 2024, reappointed 15 May 2025) Penelope McKelvey (appointed 17 May 2024, resigned 11 October 2024)
Chief Executive	Paul Sapwell
Auditors	PKF Francis Clark Hitchcock House Hilltop Park Devizes Road Salisbury SP3 4UF
Principal Bankers	Natwest Bank 105 High Street, Winchester SO23 9AW
Solicitors	Paris Smith LLP 11 London Road, Southampton SO15 2AE

Trustees' report

Report of the trustees (incorporating the directors' report) for the year ended 31 March 2025

The trustees of Hampshire Cultural Trust ("the trustees") are pleased to present their annual report together with the consolidated financial statements of Hampshire Cultural Trust ("the Trust" or "HCT") and its one subsidiary, Hampshire Cultural Trust Trading Ltd ("the trading company"), for the year ended 31 March 2025.

The trustees, who are also directors of the Trust for the purposes of company law, are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice). Legal and regulatory requirements are detailed in the statement of trustees' responsibilities below in the corporate governance report.

Chairman's report 2024-25

In 2024, Hampshire Cultural Trust marked a significant milestone: 10 years as an independent charity. It has been a decade of growth, achievement and impact, one that has firmly established the Trust as a key part of Hampshire's cultural life.

We now consistently welcome over 700,000 customers every year. Since 2014, we have hosted 360 temporary exhibitions, over 146,000 children have taken part in our schools' sessions, and we have supported more than 6,800 participants through our targeted social impact programmes. We have fundraised over £15 million and have grown our self-generated income by more than 130%.

We now look boldly ahead to the next five years with the launch of our new strategy: HCT 2030. It sets out our vision and priorities for the remainder of the decade, and our commitment to building a sustainable, inclusive cultural future for Hampshire.

2024-25 was our first year managing Winchester's Great Hall, welcoming visitors from around the world to view its iconic Round Table. Our public events programme continued to bring exceptional exhibitions to our gallery spaces: *Hans Coper: Resurface* at The Arc saw the only three murals made by this celebrated studio potter on public display for the first, and last, time.

In Basingstoke, we were honoured to welcome His Excellency Ambassador Chandra Kumar Ghimire, Ambassador of Nepal to the UK, to the Willis Museum to view *Basingstoke's My Home: Global Stories with Local Roots*, a community-curated exhibition celebrating the town's diverse communities. Working collaboratively with partners across the county, we developed plans to celebrate the 250th anniversary of the birth of Hampshire's most famous daughter, Jane Austen, in 2025.

We embedded our cultural leadership work as an Arts Council England (ACE) National Portfolio Organisation (NPO), focusing on increasing participation and sector support in Gosport, Rushmoor and the New Forest. In August we launched *Culture Connects*, a dedicated sector website with a directory open to those in the cultural sector and creative industries to promote their work, collaborate and connect.

1,014 participants engaged with our social impact programmes, including 75 in our new *Stepping Stones* project, which supports young people in Hampshire facing challenges with their mental health and wellbeing. *Pride in Place* funding of £21,910 from Basingstoke and Deane Borough Council (BDBC) and the UK Government through the UK Shared Prosperity Fund enabled us to open the Memory Lounge at Milestones Museum, which offers a lived experience of a 1960s home and supports the needs of older members of our community.

Our commitment to equity, diversity and inclusion (EDI) saw us achieve Disability Confident Employer accreditation and launch three staff and volunteer networks to support our people. After completing phase two during 2024-25, we were awarded a further £250,000 over two years from The National Lottery Heritage Fund (The Heritage Fund) for the final phase of the development of our volunteer programme. We made considerable

Trustees' report

progress in our commitment to environmental sustainability, successfully implementing initiatives to reduce carbon emissions, increase energy efficiency and promote long-term sustainability.

In December 2024, Hampshire County Council (HCC) confirmed a £600,000 reduction to our core grant, to take effect by 2027. As a result of previous grant reductions from HCC, Eastleigh Borough Council and Fareham Borough Council, during the year we exited from Eastleigh Museum, Ashcroft Arts Centre and Westbury Manor Museum.

2024-25 was a difficult year for trading, with the cost-of-living crisis impacting customer spending and behaviour, both for HCT and the wider sector. To strengthen our long-term sustainability, we continued to invest in our commercial operations, including food and beverage (F&B), retail and group sales, as well as deepening our understanding of our customers' needs to enhance the overall visitor experience. These are solid foundations for increasing future income; however, the long-term financial challenge of reduced local government funding remains our most significant risk and further difficult decisions undoubtedly lie ahead.

Devolution and local government reorganisation are on the horizon across Hampshire, Portsmouth, Southampton and the Isle of Wight, and we have a unique opportunity and responsibility to ensure culture remains at the heart of our shared future. Administrative borders may shift in the coming years, but cultural identities, people's interests and their loyalties have never been defined or restricted by council boundaries.

I would like to end on a personal note. In 2025, I will step down as chair of Hampshire Cultural Trust after 11 years in post. I am delighted that Tom Wright CBE will be joining the board and taking over as chair in September. When I became chair in 2014, the Trust was a new organisation with a determined ambition to promote, develop and support a thriving future for culture in Hampshire. I look back with immense pride on what we have achieved and look forward to watching the trust's continued growth and success from a new perspective – with admiration, confidence and optimism.

STRATEGIC REPORT

Report on public benefit

Hampshire Cultural Trust provides public benefit as a charity by making Hampshire's and Winchester's collections and venues accessible to all members of the public. We manage and support visitor attractions, museums, art galleries, and arts centres across Hampshire, offering a wide variety of workshops, classes, events, and projects for all ages, both in schools and in communities. We place particular emphasis on reaching people who are vulnerable or disadvantaged and may not otherwise have access to arts and culture.

We care for approximately 2.5 million objects that reflect Hampshire's and Winchester's rich and internationally significant cultural heritage. As custodians of key historic assets and venues on behalf of Hampshire County Council and Winchester City Council (WCC), we care for and display significant objects in the public interest. These assets are held separately from the trust's own assets and are catalogued on a collections database. They are not accounted for as heritage assets within the trust's financial statements.

Our trustees confirm they have complied with the duty under section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit when exercising their powers and duties.

Achievements and performance

Highlights of our achievements and performance in 2024-25 are explained in relation to our strategic goals.

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GOAL ONE

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

Our cultural programme continued to deliver high-quality, inclusive experiences across our venues. Highlights included:

- Major exhibitions at The Arc, Winchester featured works by Grayson Perry, Fred Appleyard, and Hans Coper, with many loans seen in Hampshire for the first time.
- Community-led exhibitions such as *My Home: Global Stories with Local Roots* in Basingstoke reflected our commitment to diverse storytelling and engagement.
- At Gosport Museum and Art Gallery, *Machine Borders* concluded a trilogy of commissions celebrating the venue's refurbishment and local heritage.
- Our arts centres in the New Forest and Aldershot, along with The Arc, hosted 342 live performances including comedy, music and youth-led events, strengthening their roles as local cultural hubs.
- Over 700 classes and workshops were delivered, including new movement classes for older people and expanded family activities during school holidays.
- Digital engagement rose by 5% to 14.7 million impressions, supported by targeted marketing and improved digital platforms. Enhancements included the launch of the new *Historic Winchester* website, a dedicated hub for our heritage venues in the city. We introduced a new website to showcase our immersive education programme, making its resources easily accessible to educational settings.
- We strengthened our customer insight and customer relationship management (CRM) and marketing. Post-visit surveys achieved a 60.2% response rate, with an average experience rating of 4.5 out of 5.
- Our learning programme reached over 16,500 schoolchildren, including nearly 3,000 through the Department for Education (DfE) funded *Reaching Out* initiative. We also launched a new home education offer and partnered with the National Paralympic Heritage Trust to improve accessibility to our schools' programme.
- Milestones Museum welcomed over 106,750 visitors, with record-breaking attendance at *Christmas at Milestones*. The festive season drew more than 19,000 visitors and included accessible programming for children with special needs.

GOAL TWO

To improve wellbeing, health and happiness through cultural experiences

In the year, 1,014 participants engaged with our targeted social impact programmes, using culture and creativity to support mental health, wellbeing and social inclusion.

- *Brighter Futures*, our long-running creative wellbeing programme for adults, supported 418 participants through 46 courses across 11 venues, including new delivery in New Milton and Gosport.
- *Stepping Stones*, a new programme supporting young people's mental health, launched in partnership with the Murray Parish Trust, engaged 75 participants through eight creative programmes, including bespoke sessions for those not in formal education.
- At Milestones Museum, funding enabled the creation of a 1960s room set and the launch of *Memory Lounge*, a new dementia-friendly programme supported by trained volunteers.

Trustees' report

- Our long-standing partnership with His Majesty's Prison (HMP) Winchester continued with two applied theatre programmes and *Creative Connections*, a pilot project introducing visual arts and writing workshops to 35 prisoners.
- We developed inclusive programmes for underrepresented audiences, including a tactile ceramics experience for blind and partially sighted visitors at the Allen Gallery, and monthly *Let's Sing for Memories* dementia-friendly sessions at Milestones Museum.
- Dance and movement programmes at Forest Arts Centre included *Elevate Dance for MS* and *Parkinson's Dance*, offering tailored support for people living with neurological conditions. New *Creative Walkshops* also combined physical activity with arts engagement.
- Our first partnership with The King's Trust supported young people not in education or training through a film and photography programme at Gosport Museum and Art Gallery.
- Baby Loss Awareness Week was marked with sensitive commemorative events at Basing House and Milestones Museum, welcoming 37 bereaved families.
- The Hampshire Poet Laureate programme appointed Damian Kelly-Basher (2024-26), who worked with 44 organisations across 41 venues and attracted a record 559 entries to the Young Poets competition.

GOAL THREE

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

We continued to strengthen Hampshire's cultural infrastructure through strategic investment, sector leadership, operational innovation and environmental responsibility.

Cultural infrastructure and financial sustainability

- With the support of Basingstoke and Deane Borough Council, we undertook a feasibility study to explore the potential of expanding Milestones Museum outdoors, and include dedicated spaces for the conservation and storage of our transport collection. This initiative supports our broader vision to position Milestones Museum as a leading regional attraction and aims to strengthen our long-term financial sustainability and enhance Basingstoke's visitor economy.
- At The Great Hall, in our first full year of operation we welcomed 74,000 visitors and generated £640,000 in revenue. It also enabled greater access for visitors to Westgate Museum. We have also developed plans to substantially enhance services, visitor experiences and financial returns over the next two years.
- We advanced plans for sustainable collections storage, aiming to transform existing facilities into energy-efficient, accessible spaces for learning and research.
- Retail income grew by 25%, driven partly by the addition of The Great Hall.
- Dedicated catering teams and new menu development supported operational efficiency and future growth.

Audience and customer development

- We introduced Exceptional Service training across all venues, focusing on sales, customer care and commercial uplift. Results included a 10% increase in Gift Aid conversion.

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- A dedicated sales resource was introduced to grow group, education and travel trade audiences, alongside targeted campaigns and relationship-building.
- We were proud to join the Association of Leading Visitor Attractions (ALVA), gaining access to national advocacy, training and benchmarking.
- We implemented a mystery shopping scheme across all our venues. The outcomes will enable us to develop our visitor experience strategy and address barriers to delivering an excellent visitor experience.

Philanthropy and fundraising

- We strengthened our development team to enable delivery of the HCT 2030 strategy, with a focus on diversifying our voluntary income in the face of funding reductions from statutory sources, driving success in grants from trusts and foundations and growing individual giving.
- We developed the framework and case for support for our new collections and young people funds. These funds represent the cornerstones of our charitable objectives and will serve as key channels for growing philanthropic giving, further supported by a new, dedicated development board.
- Highlights included a major gift to commission a bespoke display case for Jane Austen's pelisse coat and successful participation in the *Big Give Arts for Impact* campaign to support youth mental health through our *Creativity Supports Wellbeing* programme.

National Portfolio Organisation delivery

In our second year as an Arts Council England NPO, we focused on increasing cultural participation, sector support and leadership in Gosport, Rushmoor and the New Forest.

- In Gosport, new adult community programmes and sold-out music sessions at the museum attracted broader audiences.
- Monthly jam nights took place at the West End Centre, introducing the venue's live music programme to a new generation. Programmes for the home education community were developed at Aldershot Military Museum and the West End Centre. A community mural in New Milton and outdoor theatre at Rockbourne Roman Villa expanded cultural engagement.
- The cultural development team worked with partners to build the reach of their work, coordinating *Unlocked in Gosport*, bringing *Unfurl* to *Ringwood Winter Wanderland*, and working closely with Rushmoor Borough Council (RBC) to connect local artists with underutilised spaces in Aldershot.
- Artist support included 10 networking events, 81 one-to-one sessions and 20 newsletters sent to over 265 subscribers.
- The *Culture Connects* website and creative directory were launched, building visibility and connectivity across the cultural sector.
- We played a strategic role in place-based planning, co-developing a cultural strategy for the New Forest and leading partnership efforts around regeneration and *Creative People and Places* bids.

Gosport Heritage Generator

In its second year, this Heritage Fund and Gosport Borough Council-supported programme continued to celebrate local heritage:

- *Echoes of Applause*, a documentary commemorating the 1994 Gosport Summer Festival, premiered in September 2024.
- *Last Orders*, a community-designed board game, explored Gosport's pub history.

Trustees' report

- Training for grassroots heritage organisations attracted 138 attendances, and a well-attended volunteer conference focused on recruitment and succession.
- Five community grants were awarded from 17 applications.

Environmental sustainability and climate action

In line with our net zero by 2030 pledge, we made significant strides in environmental performance:

- All venue managers now report monthly on energy usage, supporting efficiency monitoring and behaviour change across our sites.
- 42% of staff are now Carbon Literate, and HCT was selected for Arts Council England's *Transforming Energy* programme, with Milestones Museum as the focus site for decarbonisation planning.
- Our staff engagement survey scored 26% above the national average for environmental proactivity, demonstrating strong internal momentum.
- We undertook a feasibility study on decarbonising The Arc, which identified a potential 60% reduction in emissions and significant energy cost savings.
- Funding was secured from BDBC to upgrade all lighting at Milestones Museum to energy-efficient LED, reducing carbon output and improving operational efficiency.
- At the Red House Museum, an energy audit as part of the National Buildings Database project highlighted key carbon-saving opportunities for future investment.
- We launched *The Places That Link Us*, an outdoor arts and environmental engagement project at West End Centre, supporting our focus on community and sustainability.

GOAL FOUR

To create fulfilling employment and volunteering opportunities through culture

We invested in our people, staff, volunteers and trustees by fostering a positive, inclusive and development-focused workplace, ensuring that culture remains a platform for personal growth and community engagement.

Employee engagement and wellbeing

- We conducted our biennial employee and volunteer engagement surveys, gathering insights to inform an ongoing action plan to improve workplace experience. A dedicated employee benefits review was launched in January to identify new benefits that will make the most difference to our teams.
- A new performance cycle for 2025-26 was launched, introducing performance-related pay to recognise and reward high achievement.
- To celebrate *10 years of changing lives through culture*, staff and volunteers were thanked with cupcakes, a bonus holiday day and a series of diverse and inspiring memories from employees who have worked at the Trust throughout its first 10 years.

Learning and leadership development

- The second cohort of our *Management Development Programme* completed their six-month journey, equipping 12 managers with the tools to lead with confidence and in line with our organisational values.

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- *Insights Discovery* was introduced across the Trust to improve self-awareness, team dynamics and personal effectiveness.

Equity, diversity and inclusion

- We made strong progress against our EDI strategic plan, achieving Disability Confident Employer status in recognition of our commitment to inclusive recruitment and support.
- We set clear targets to improve workforce diversity, with particular strengths recognised in age, disability, sexual orientation and gender identity.
- Three new staff and volunteer networks were established to create safe spaces and celebrate diversity within the organisation.
- Our continued investment in mental health included an expanded cohort of mental health first aiders and a Trust-wide campaign during Mental Health Awareness Week.
- For International Women's Day, we launched *Wonderful Women of HCT*, spotlighting inspiring female colleagues and their contributions.

Volunteering

- Volunteers continued to play a vital role in our success, contributing across our venues and programmes from front-of-house to behind-the-scenes support in collections, learning, events, conservation and horticulture. These services have not been measured and recorded for the purposes of the accounts.
- We secured a further £250,000 from The National Lottery Heritage Fund to support phase three of our volunteer programme, enabling a transformative step change in how we recruit, manage, support and recognise volunteers.
- In phase two, we implemented a volunteer management system, launched a dedicated volunteering website, created new packages such as *corporate volunteering*, and delivered training and support for volunteer leads. Our *Volunteer Voice* forum was embedded to ensure co-creation and feedback.
- Since inception, *Data Hunters & Story Gatherers* has delivered 1,565 hours of object documentation support and 1,178 hours of community research, demonstrating the value of participatory, collections-based volunteering made possible through *Dynamic Collections* funding from The Heritage Fund.

Our supporters

Hampshire Cultural Trust is very grateful to all our supporters, funders and donors who have supported and contributed to projects and activities during the year. This includes trusts and foundations, statutory bodies and friends groups as well as many generous individuals.

Financial review

Total income for the year was £9,091,131 (2023-24: £9,251,219), with unrestricted income increasing to £8,401,973 (2023-24: £8,310,380). This growth in unrestricted income reflects a positive trend in core operational activities. First year results from the addition of The Great Hall in March 2024 have helped offset reductions in core funding (now contributing 31% of income; 36% in 2023-24) and the impact of venue closures during the year.

We have experienced challenging economic conditions and softer trading performance during key periods, reflecting cost of living pressures and resulting shifts in consumer behaviour. These external factors have

Trustees' report

influenced spending patterns and attendance levels across our venues. However, our results demonstrate a strong and proactive approach to optimising revenue generation. Notably, we have seen continued and significant growth in both charitable activities and trading income, highlighting the organisation's resilience and its strategic commitment to building sustainable income streams.

During the year, costs remained under pressure due to persistently high inflation. In response, the Trust took proactive measures to identify and implement efficiencies and to reduce expenditure where possible. Notably, vacancy savings in several key central roles helped to partially offset a shortfall in earned income against budget, demonstrating the Trust's ongoing commitment to prudent financial management.

The Trust recorded a consolidated deficit of £407,693 for the year ended 31 March 2025, compared to a surplus of £191,484 in 2024. This included a negative movement in restricted funds of £174,415, primarily due to the timing of income recognition. Whilst achieving a positive movement in free cash reserves, significant depreciation costs resulted in an unrestricted deficit of £233,278, depreciation of £243,055.

Total reserves as at 31 March 2025 stood at £2,122,256 (2024: £2,529,949). Despite the reported deficit, a healthy closing cash position of £1,993,036 was maintained (2024: £1,570,370).

Unrestricted net assets totalled £847,864 (2024: £1,241,142), with £737,515 held as net current assets available for immediate use as free cash reserves. While management has taken steps to manage costs and improve income generation, the current level of free reserves remains below the target set out in the Trust's Reserves Policy.

The trustees continue to monitor the financial position closely. They are satisfied that, with committed income and further planned actions to strengthen financial sustainability, the Trust has sufficient reserves to support ongoing operations in the near term. Rebuilding reserves to the target level remains a priority.

Hampshire Cultural Trust Trading Ltd is showing an 11% increase in income and a profit for the year, after management fees charged by the Trust, of £32,687 (2023-24 £18,678). The remaining available taxable profits will be gift aided to the Trust during 2025-26.

The new Charities Statement of Recommended Practice (SORP), which sets out the financial accounting and reporting requirements for charities, is expected to be issued later in 2025-26 and will take effect for the Trust's financial year beginning 1 April 2026. Initial assessments by the Trust indicate that the changes are likely to have a limited financial impact on future results. However, further detailed evaluation is required, particularly in relation to contract income and property lease arrangements.

Going concern

Current activity levels, NPO status with Arts Council England, and committed funds from our founding local authorities provide reassurance as to the basis of going concern. Management has produced forecasts which demonstrate that with sensible and progressive actions there are adequate reserves to continue to operate for the foreseeable future, and for at least 12 months from the date of this report.

Accordingly, the trustees consider that the Trust and its trading subsidiary continue to be a going concern.

Reserves policy

The Trust holds reserves primarily to protect itself from the impact of unexpected variations in income and expenditure. Significant variations in income may arise, for example, from a major incident at the Trust's main income-generating venues, or through delays in receipt of project grants. In addition, an incident such as a fire

Trustees' report

may result in additional costs being incurred, which the Trust may have to finance from its own funds before any recovery from third parties.

The trustees have reviewed the Trust's Reserves Policy. Under the policy:

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

A calculation according to the current policy would indicate that a higher level of unrestricted reserves may be needed, especially as local authority core funding continues to reduce. However, the trustees consider that the free cash reserves target should remain at £1,000,000, for now. It is the aim in the short-term to seek to rebuild reserves to at least this level from new funding sources. However, management and the trustees recognise that the policy needs to be reassessed in the light of changes to funding circumstances and the Trust's activities. This will be done in 2025-26 in the context of the HCT 2030 strategy.

Principal risks and uncertainties

The Trust continues to strengthen its risk management framework, with a focus on identifying and mitigating the most significant risks inherent in its activities, funding model, and organisational structure. Risk is managed through a combination of strategic oversight, operational controls, investment in people and infrastructure, and conventional measures such as insurance.

The Trust's Strategic and Operational Risk Registers and Risk Management Policy follow guidance from the Charity Commission and the Charity Finance Group. The principal areas of risk focus identified by the HCT Board for the Strategic Risk Register are:

1. Financial sustainability
2. Reputation
3. Major stakeholder engagement and relationships
4. Impact delivery
5. Compliance and governance

In addition, the Trust is increasingly focused on the growing risks associated with cyber security, data privacy, and emerging technologies, including Generative Artificial Intelligence (AI).

The principal risks inherent in the Trust's operations include:

- A reduction in local authority funding, and the risk that alternative income streams may not fully mitigate this decline.
- Inadequate cost control leading to liquidity challenges or insufficient working capital.
- Safeguarding failures resulting in harm to vulnerable people engaged in Trust programmes.
- Sudden and severe external shocks (e.g. fire, flood, or global pandemic) affecting income, operations or staffing.

Trustees' report

- A failure to meet health and safety or compliance obligations, resulting in harm to visitors, staff or volunteers, and potential regulatory or reputational consequences.
- Cyber breaches or data protection failures that could result in service disruption, reputational damage, or legal consequences.
- Unregulated or inappropriate use of AI technologies, with potential implications for security, privacy, or reputation.

Mitigating actions include:

- Proactive engagement with local authorities at both operational and strategic levels to strengthen funding partnerships and demonstrate impact.
- Rigorous business planning and in-year financial monitoring to ensure operations are delivered within budget and reserves are maintained at target levels.
- Ongoing development of people policies, including training, safer recruitment, and wellbeing initiatives.
- Regular review and implementation of safeguarding policies, including enhanced Disclosure and Barring Service (DBS) checks for relevant roles.
- Investment in business systems and operational resilience, including digital infrastructure and facilities improvements.
- Comprehensive insurance cover including business interruption, property, cyber, employer's liability, public and products liability, professional indemnity, collections, and fleet insurance.
- Strong health and safety policy framework, regular internal audits and inspections, named compliance leads at each venue, ongoing training, and external reviews where appropriate.
- Ongoing review and development of both strategic and operational risk registers, embedded in leadership and governance cycles.

Cyber security, data privacy and AI

As the risk of cyber-attacks continues to grow, cyber security and data privacy remain key priorities for the Trust. We work closely with our IT partner to strengthen security protocols and maintain ongoing training for staff and volunteers. Our legal advisors support the ongoing review and development of our General Data Protection Regulation (GDPR) and Privacy and Electronic Communications Regulations (PECR) policies and procedures.

In recognition of the increasing risks and opportunities associated with AI, the Trust is developing formal internal guidance to support its responsible and ethical use in 2025-26.

OUR FUTURE PLANS

The next two to three years will be a pivotal period for the Trust as we respond to the significant challenge of replacing approximately £1 million in core local authority funding by 2027-28. This will require a sustained and rigorous focus on diversifying and increasing our earned and voluntary income streams to ensure the continued delivery of our 2030 strategy.

To meet this challenge, we will establish two new dedicated funds to support our collections and our work with young people. These will form the key pillars of our individual giving and fundraising strategy for the next five years. At the same time, we will continue to enhance the quality and appeal of our visitor experiences, invest in upgrading our venues, and expand our commercial income opportunities. These efforts form a key part of our strategy to build a more resilient, self-sustaining financial model while continuing to deliver high-quality cultural and educational services for our communities.

Trustees' report

The following outlines our key priorities and planned activities for the financial year 2025-26, aligned to our HCT 2030 strategy.

Programming and exhibitions

- Highlights of the public events programme for 2025-26 include two major self-curated exhibitions: *Beyond the Bonnets: Working Women in Jane Austen's Novels* and *Beauty of the Earth: The Art of May, Jane and William Morris*.
- Our community museums will host locally led exhibitions, including *The Story of Christchurch* at Red House Museum and *Gosport on Stage* at Gosport Museum and Art Gallery.
- We will launch a new schools' learning programme at The Great Hall for Key Stages 1-3 and expand guided tours and café services to enhance the visitor experience.

Community, learning and engagement

- We will continue our partnership with The King's Trust and extend our offer through *Get Started*, *Stepping Stones*, and *Culture in Common*-supported activity, including *Creative Walkshops* and MS Dance sessions.
- We will progress the development phase of the *Rediscovering the Allen Gallery* project, with secured funding from The Heritage Fund and local partners.
- We will expand our *Culture Connects* creative directory, supporting Hampshire's cultural development ahead of Local Government Reorganisation.

Customer experience and operations

- Following the introduction of our annual venue planning process and mystery shopping scheme in 2024-25, we will invest in improved facilities and continue to shape our customer experience strategy.
- We will maintain high standards of safety and compliance through internal and external inspections, with a focus on our food and beverage operations.
- Investment in business systems will continue, with a new dedicated resource to improve efficiency and free up staff to focus on customer service.

Funding and infrastructure

- We submitted a bid to the Department for Culture, Media and Sport (DCMS) Museum Renewal Fund for core support. Although our application to the Museums Estate and Development (MEND) fund was unsuccessful, the urgent need for maintenance and repair of our collections stores remains a priority. In light of this, we will seek alternative sources of funding to address these needs. With a strengthened fundraising team, we will continue to actively pursue opportunities to support our core activities and strategic priorities.
- With our ACE NPO status extended to 2028, we will apply learning from current cultural development activity to new areas across Hampshire.
- Our focus on sustainability will continue, embedding environmentally responsible practices across operations as we move towards net zero.

Trustees' report

People and culture

- We will continue to implement our new performance cycle and performance-related pay, embedding a high-performance culture.
- We will launch our new HCT Values Awards and provide staff development for all managers through a structured programme, line management training, and expanded apprenticeships.
- We will enhance staff benefits with a new salary exchange pension scheme and a buy-and-sell holiday scheme.
- Phase three of our volunteer programme will diversify our volunteer base and strengthen pathways into employment through skills-based volunteering.

Corporate governance

Structure, governance and management

Hampshire Cultural Trust was founded jointly by HCC and WCC and is incorporated as a company limited by guarantee and is registered with the Charities Commission.

The Trust is governed in accordance with its Articles of Association for a charitable company and the trustees' liability is limited by guarantee. Directors' indemnity insurance cover is provided for the trustees.

The Trust has one wholly owned trading subsidiary, Hampshire Cultural Trust Trading Ltd ("the trading company"). The objective of the trading company is to generate income to support the charitable objectives of the Trust. It carries out commercial activities that complement the charitable objectives of the Trust. The trading company will pay an amount equal to its distributable reserves each year to the Trust under the Gift Aid scheme. The relationship between the charity and the trading company is reviewed annually by the Finance, Investment and Audit Committee and the HCT Board.

Appointment of trustees

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

As the Trust's current chair is due to retire in September 2025, a skills analysis and recruitment process was started in 2024 for his successor. The process was led by the chair of the HR and Remuneration Committee, supported by the director of people, with the Nomination Committee providing oversight and ensuring that an open and transparent recruitment process was undertaken. In January 2025, the board was delighted to unanimously appoint Tom Wright CBE as the incoming chair.

Thanks were given to Cllr Keith Mans, who retired at the AGM in September 2024 after serving for three years as the HCC appointed trustee. Cllr Jackie Branson was appointed by HCC as his successor, joining the board in February 2025.

The trustee recruitment, selection and induction process is aligned with Charity Commission guidance. As a matter of course, all trustees are provided with relevant publications, such as *The essential Trustee: what you need to know, what you need to do* (CC3), in addition to the charity and trading subsidiary's governing

Trustees' report

documents, trustee role description, policies and procedures relevant to the role. Due diligence is completed, and declarations of eligibility confirmed, as required, with an enhanced induction process following.

The training framework for the trustees continues to be developed, with suitable training identified for trustee-leads, for key areas such as safeguarding. The induction process is led by the company secretary, in consultation with the chair, chief executive and director of people. The Nomination Committee provides oversight of trustee induction, training and development processes. 2025-26 will see the development of a formal performance review process for the trustees, board and committees.

Management and decision making

The HCT Board is the strategic decision-making body of the Trust and is responsible for ensuring the organisation's charitable objectives are achieved and its plans are implemented. The Trust is committed to following the Charity Governance Code's principles and recommended best practice, and the Fundraising Regulator's Code of Fundraising Practice.

Day to day management of the Trust and the trading company is delegated to the chief executive in accordance with the Trust's Scheme of Delegation, which is reviewed annually by the board.

The board generally meets six times per year to review strategy, operational plans and performance, and to endorse key management decisions. It is helped in its work by trustee-led standing committees – the Finance, Investment and Audit Committee, HR and Remuneration Committee, the Collections Committee and the Nomination Committee. Each committee's delegated responsibilities are outlined in their terms of reference (approved by the board and reviewed annually), alongside a review of the committee's performance in the last year.

When exercising any powers or duties to which the guidance is relevant, the trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the commission's public benefit guidance.

Equity, diversity and inclusion

The Trust is committed to embedding EDI across our governance, workforce, programmes and operations. Strategic oversight is provided by the board, with delivery led by a cross-departmental EDI working group. EDI progress is reported as part of our internal performance framework and our obligations as an NPO.

Looking ahead, the Trust will continue to strengthen its inclusive leadership, diversify its workforce and governance, and ensure its cultural programmes reflect the voices and identities of Hampshire's communities.

Remuneration policies

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

No members of the board are remunerated for their role as trustees, nor do they have any beneficial interest in the charity or group. Any trustee expenses reclaimed from the charity are set out in the notes to the financial statements.

Trustees' report

Heritage assets held as custodian trustee on behalf of others

In accordance with the Trust's governing document and the Management and Funding Agreements with our founding local authorities, the Trust acts as custodian of historic assets and properties on their behalf. These assets are held separately from the Trust's own assets and are recorded on Modes, a professional collections management system.

During 2024-25, new acquisitions were made to both the Hampshire County Council and Winchester City Council Museum collections. The majority were donated, with a small number of items purchased. Disposals were carried out in line with the approved Collections Development Policy.

Our role as custodian ensures that these significant collections, including internationally important heritage assets, are preserved, documented, and made accessible to the public.

Fundraising standards information

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

Statement of trustees' responsibilities

The trustees (who are also directors of Hampshire Cultural Trust for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP 2019 (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.

Trustees' report

- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Small companies disclosure

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

Approved by the trustees and signed on their behalf by:


.....

AC Lovell
Chair

Date: 29 July 2025

Independent auditor's report to the members of Hampshire Cultural Trust

Opinion

We have audited the financial statements of Hampshire Cultural Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025, which comprise Consolidated Statement of Financial Activities, the group and parent charitable company Balance Sheets, the Consolidated Cash Flow Statement and the related notes, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Independent auditor's report to the members of Hampshire Cultural Trust

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 Trustees' 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 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 where the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- 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 exemption to prepare a strategic report.

Responsibilities of trustees

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

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

Independent auditor's report to the members of Hampshire Cultural Trust

Auditor responsibilities for the audit of the financial statements

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

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

As part of our audit planning, we obtained an understanding of the legal and regulatory framework that is applicable to the Hampshire Cultural Trust. We gained an understanding of the group and the industry in which the group operates to identify the key laws and regulations affecting the group. As part of this, we discussed the regulations with the relevant individuals responsible for compliance. Based on our understanding, the key regulations we identified were health and safety regulations. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011 and compliance with tax legislation.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the parent charitable company complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the parent charitable company's ability to continue trading and the risk of material misstatement to the accounts.

We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. The key incentive identified is to improve the position of the group and the parent charitable company to potential funders and we determined that the principal risks were related to overstatement of surpluses, either through overstating revenue, understating expenditure or management bias in accounting estimates.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances of fraud.
- Reviewed filings with the Charity Commission and whether there were any serious incident reports made during the year, of which there were none which had a material impact on the accounts.
- Reviewed legal and professional costs to identify any possible non compliance.
- Reviewed board minutes.
- Audited the risk of fraud in revenue recognition in completeness of income by sampling from outside the accounting system. We performed cut off testing to ensure revenue recognition has been applied correctly.

Independent auditor's report to the members of Hampshire Cultural Trust

- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

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. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate omissions, collusion, forgery, misrepresentations, or the override of internal controls. We are also less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

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



.....
Paul Giessler FCA (Senior Statutory Auditor)
For and on behalf of
PKF Francis Clark, Statutory Auditor
Hitchcock House,
Hilltop Park,
Devizes Road,
Salisbury,
SP3 4UF

Date: 5 August 2025

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

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Unrestricted Funds £	Restricted Funds £	Total 2024 £
Income from:							
Grants and donations	2	3,804,706	689,158	4,493,864	4,276,470	940,839	5,217,309
Income from charitable activities	3	2,996,241	-	2,996,241	2,619,018	-	2,619,018
Income from other trading activities:							
- income of trading company	4	1,551,187	-	1,551,187	1,399,106	-	1,399,106
Investment income	5	49,839	-	49,839	15,786	-	15,786
Total income		<u>8,401,973</u>	<u>689,158</u>	<u>9,091,131</u>	<u>8,310,380</u>	<u>940,839</u>	<u>9,251,219</u>
Expenditure on:							
Cost of raising funds:							
Fundraising and publicity	6	337,931	2,537	340,468	294,511	952	295,463
Expenses of trading company	4	1,518,500	-	1,518,500	1,380,428	-	1,380,428
Expenditure on charitable activities	7	6,778,820	861,036	7,639,856	6,245,786	1,138,058	7,383,844
Total expenditure		<u>8,635,251</u>	<u>863,573</u>	<u>9,498,824</u>	<u>7,920,725</u>	<u>1,139,010</u>	<u>9,059,735</u>
Net income / (expenditure)		<u>(233,278)</u>	<u>(174,415)</u>	<u>(407,693)</u>	<u>389,655</u>	<u>(198,171)</u>	<u>191,484</u>
Net movement in funds		<u>(233,278)</u>	<u>(174,415)</u>	<u>(407,693)</u>	<u>389,655</u>	<u>(198,171)</u>	<u>191,484</u>
Reconciliation of funds:							
Total funds brought forward		<u>1,241,142</u>	<u>1,288,807</u>	<u>2,529,949</u>	<u>851,487</u>	<u>1,486,978</u>	<u>2,338,465</u>
Total funds carried forward		<u>1,007,864</u>	<u>1,114,392</u>	<u>2,122,256</u>	<u>1,241,142</u>	<u>1,288,807</u>	<u>2,529,949</u>

All transactions are derived from continuing activities.

The notes on pages 25 to 40 form an integral part of these financial statements

Consolidated Balance Sheet
as at 31 March 2025

	Notes	£	2025 £	£	2024 £
Fixed assets					
Tangible assets	10		<u>203,363</u>		<u>525,607</u>
			203,363		525,607
Current assets					
Stock	12	134,271		167,714	
Debtors	13	860,039		1,313,030	
Cash at bank and in hand		<u>1,993,036</u>		<u>1,570,370</u>	
		2,987,346		3,051,114	
Creditors: amounts falling due within one year	14	<u>(1,068,453)</u>		<u>(1,046,772)</u>	
Net current assets			<u>1,918,893</u>		<u>2,004,342</u>
Net assets	16		<u><u>2,122,256</u></u>		<u><u>2,529,949</u></u>
Funds					
General unrestricted funds	16		847,864		1,241,142
Designated funds	18		160,000		-
Restricted funds	16		<u>1,114,392</u>		<u>1,288,807</u>
Total funds			<u><u>2,122,256</u></u>		<u><u>2,529,949</u></u>

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

The financial statements were approved by the board on 29 July 2025 and signed on its behalf by:



AC Lovell
On behalf of the Board of Trustees

The notes on pages 25 to 40 form an integral part of these financial statements

Trust Balance Sheet
as at 31 March 2025

	Notes	£	2025 £	£	2024 £
Fixed assets					
Tangible assets	10		160,571		458,796
Investments	11		<u>1,000</u>		<u>1,000</u>
			161,571		459,796
Current assets					
Debtors	13	1,028,077		1,693,850	
Cash at bank and in hand		<u>1,839,664</u>		<u>1,221,192</u>	
		2,867,741		2,915,042	
Creditors: amounts falling due within one year	14	<u>(959,469)</u>		<u>(878,722)</u>	
Net current assets			<u>1,908,272</u>		<u>2,036,320</u>
Net assets	16		<u><u>2,069,843</u></u>		<u><u>2,496,116</u></u>
Funds					
General unrestricted funds	16		795,451		1,207,308
Designated funds	18		160,000		-
Restricted funds	16		<u>1,114,392</u>		<u>1,288,808</u>
Total funds			<u><u>2,069,843</u></u>		<u><u>2,496,116</u></u>

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

The company has taken the exemption in section 408 of the Companies Act 2006 and has not presented its individual statement of financial activities. The company's (deficit)/surplus for the financial year was £(426,273) (2024 - £236,976).

The financial statements were approved by the board on 29 July 2025 and signed on its behalf by:



AC Lovell

On behalf of the Board of Trustees

The notes on pages 25 to 40 form an integral part of these financial statements

Consolidated cashflow statement
for the year ended 31 March 2025

	Notes	Group 2025 £	Group 2024 £
Cash flows from operating activities:			
Net cashflow from operating activities		409,477	316,609
Cash flows from investing activities			
Bank interest received		49,839	15,786
Purchase of fixed assets		<u>(36,650)</u>	<u>(17,350)</u>
Cash used in investing activities		<u>13,189</u>	<u>(1,564)</u>
		<u>422,666</u>	<u>315,045</u>
Cash and cash equivalents at the beginning of the year		<u>1,570,370</u>	<u>1,255,325</u>
Total cash and cash equivalents at the end of the year		<u><u>1,993,036</u></u>	<u><u>1,570,370</u></u>

Reconciliation of Changes in Net (Expenditure/Income to Net Cashflow From Operating Activities)

Net income/(expenditure) for the year		(407,693)	191,484
Depreciation	11	358,894	256,630
Loss on disposal of intangible asset	10	-	2
Investment income and interest received	5	(49,839)	(15,786)
(Increase)/decrease in stock	13	33,443	(18,301)
(Increase)/decrease in debtors	14	452,991	(21,524)
Increase/(decrease) in creditors	15	<u>21,681</u>	<u>(75,896)</u>
Net cashflow from operating activities		<u><u>409,477</u></u>	<u><u>316,609</u></u>

1 Accounting policies

1.1 Charity information

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

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

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

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 1st January 2019, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019.

Consolidated financial statements have been prepared in respect of the charitable company and its wholly owned subsidiary, Hampshire Cultural Trust Trading Ltd. The Consolidated Statement of Financial Activities includes the results of Hampshire Cultural Trust Trading Ltd as single line items. The results of the subsidiary are included in note 4. The consolidated balance sheet includes the net assets of Hampshire Cultural Trust Trading Ltd on a line by line basis.

1.3 Income

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

If a grant or donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the charity's control and it is probable those conditions will be met in the accounting period. Grant/donation income is also deferred if the donor specifies that the grant or donation can only be used in a future accounting period.

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

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

Income from the sale of tickets for courses and tuition, performances and events are recognised in the period in which the event occurs.

Admissions income is recognised in the period in which the initial visit occurs.

Income from lettings and room hire is recognised at the point services are provided to the customer.

1.4 Expenditure

Expenditure is recognised on an accruals basis, as a liability is incurred. Expenditure is recognised when there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes any VAT which is not fully recoverable.

1.5 Basis of allocation

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

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

1.6 Tangible fixed assets

Assets are initially included at acquisition cost, including costs directly attributable to bringing the asset into operating condition for its intended use. Individual assets costing £5,000 or more are capitalised. At each reporting date, the charity assesses whether there is any indication of impairment, after taking into account accumulated depreciation. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is provided on a straight line basis, at the following annual rates in order to write off each asset over its estimated useful life. Depreciation is not provided on assets in the course of construction until the asset is available for use in the business.

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

A proportionate amount of depreciation is charged in the year of acquisition.

The Trust occupies a number of mainly historic buildings provided by HCC/WCC at a peppercorn rent. The Trust acts as custodian of these premises, which are occupied for the purposes of operating museums and/or maintaining the council-owned collections, under the terms of the Trust's arrangements with the councils. The nature and purpose of the buildings are such that any donated value cannot be measured reliably and it is not appropriate to record any value in the financial statements for donations in kind or related rental expense.

The Trust manages the collection of heritage assets on behalf of HCC/WCC. However, the councils are the owners of these collections and, accordingly, they are not accounted for as heritage assets within the Trust's financial statements.

1.7 Stock

Stock relates to items held for resale and is valued at the lower of cost and net realisable value, after making allowance for obsolete or slow-moving items.

1.8 Funds

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

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

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

Restricted funds for the purchase of fixed assets are credited to restricted income when receivable. Depreciation on the fixed assets purchased with such grants is charged against either the related restricted fund or against the capital depreciation reserve, where the related project has been completed.

1.9 Leased assets

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

1.10 Financial instruments

The Trust's financial assets and liabilities consist only of basic financial instruments, including cash and cash equivalents, short term investments, trade and other debtors, trade and other creditors and accrued expenses. They are initially recognised at transaction price or value, including transaction costs, and are subsequently measured at their settlement value. The fair value of these items approximate their carrying value due to their short term value. Financial assets are assessed for indicators of impairment at each reporting date. Unless otherwise noted, the Trust is not exposed to significant interest, foreign exchange or credit risk arising from these instruments.

1.11 Termination benefits

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

1.12 Pension costs

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

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

The Commercial Transfer Agreements (CTA) between Hampshire County Council, Winchester City Council and Hampshire Cultural Trust state that the councils shall remain liable for any deficit in the fund in respect of benefits accrued up to the transfer date of 1 November 2014.

The Trust is responsible for paying all contributions due to the scheme in respect of the Eligible Employees, and any other sum due to the scheme in respect of the Eligible Employees, including any deficit arising in respect of the benefits accrued by them while employed by the Trust. However, according to the CTAs, the councils shall fund or reimburse the Trust through a pass through arrangement, for any contributions made and deficits paid by the Trust which relate to the council's liability period of 25 years from the date of transfer on November 2014, or earlier if council funding ceases, unless contributions or other payments result from matters within the control, influence or responsibility of the Trust.

At the point this pass-through arrangement ends the councils will ensure that any liabilities of the fund are fully funded.

1.13 Judgements and key sources of estimation uncertainty

Tangible fixed assets are depreciated over their useful lives, taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into consideration. Residual value assessments consider issues such as future market conditions the remaining life of the asset and projected disposal values. The carrying amount is £203,363 (2024: £525,607).

Grant income is recognised when the Trust is entitled to the income. In some cases, this requires judgement based on available information related to the grant award and the application for the grant as to when entitlement arises. This may be on issue of the award letter, but in other cases income recognition may be deferred until a pre-determined budget period, until other conditions not necessarily in the Trust's control are met or until various performance criteria are achieved. Of total grant income awarded in the year, no income has been deferred at 31 March 2025 (2024: £nil). Accrued Grant Income of £443,377 (2024: £746,458) is included in the balance sheet at 31 March 2025.

The Trust occupies a number of buildings provided by both councils at a peppercorn rent. The trustees understand that they are custodians of these premises, which are occupied for the purposes of operating these venues under the terms of their agreement with the council. The nature and purpose of the buildings is such that any donated value cannot be measured reliably and it is not appropriate to record any value in the financial statements for donations in kind.

The trustees consider, apart from the above items and going concern referred to below, that there are no other material areas of judgement or estimation uncertainty.

1.14 Going concern

The trustees adopt the going concern basis in preparing the Report of the trustees and financial statements. This is based on the reasonable expectation, based on current financial performance, forecasts and projections, committed funding from core funders and ongoing negotiations with those funders, and taking into account reasonably foreseeable changes in income and expenditure, that the charitable company has adequate resources to continue to operate for the foreseeable future.

Management has produced forecasts which demonstrate that with sensible and progressive actions there are adequate reserves to continue to operate for the foreseeable future, and for at least 12 months from the date of this report. The estimates and assumptions used are based on historical experience, contractually committed income and changes expected based on negotiations with key funders.

1.15 Investments

Interests in the subsidiary are initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

2 Grants and donations

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

	Unrestricted funds	Restricted funds	2025 Total	Unrestricted funds	Restricted funds	2024 Total
	£	£	£	£	£	£
Hampshire County Council (HCC)	2,502,072		2,502,072	2,912,070		2,912,070
Winchester City Council (WCC)	298,144		298,144	379,444		379,444
	<u>2,800,216</u>	<u>-</u>	<u>2,800,216</u>	<u>3,291,514</u>	<u>-</u>	<u>3,291,514</u>
Other Local Authority grants:						
Basingstoke and Deane Borough Council	183,600		183,600	183,600		183,600
Gosport Borough Council	60,000		60,000	60,000		60,000
Bournemouth, Christchurch and Poole Council	90,000		90,000	100,000		100,000
Rushmoor Borough Council	39,840		39,840	38,101		38,101
New Forest District Council	7,500		7,500	10,000		10,000
Bursledon Parish Council			-	3,828		3,828
	<u>380,940</u>	<u>-</u>	<u>380,940</u>	<u>395,529</u>	<u>-</u>	<u>395,529</u>
Other grants:						
Arts Council Funding - National Portfolio Organisation Investment Programme funded by National Lottery revenue	500,000		500,000	500,000		500,000
Arts Council England		19,800	19,800		74,800	74,800
National Lottery Heritage Fund		249,714	249,714		326,649	326,649
HMP Winchester	35,000		35,000			
Basingstoke and Deane Borough Council		30,000	30,000		92,710	32,710
Hampshire County Council - Wessex Dance Academy		51,715	51,715		95,474	95,474
Arts Council England, Museum Development		45,873	45,873		95,588	95,588
Gosport Borough Council		41,500	41,500		70,000	70,000
British Museum - Portable Antiquities Scheme		29,969	29,969		28,555	28,555
Hampshire County Council - Hampshire Achieves		97,265	97,265		73,508	73,508
Other grants (less than £25,000)	10,000	31,688	41,688	2,870	122,848	125,718
	<u>545,000</u>	<u>597,524</u>	<u>1,142,524</u>	<u>502,870</u>	<u>920,132</u>	<u>1,423,002</u>
Total grants	<u>3,726,156</u>	<u>597,524</u>	<u>4,323,680</u>	<u>4,189,913</u>	<u>920,132</u>	<u>5,110,045</u>
	Unrestricted funds	Restricted funds	2025 Total	Unrestricted funds	Restricted funds	2024 Total
	£	£	£	£	£	£
Donations						
Jesse Cohen - Hans Coper Mural	-	35,000	35,000			-
Donations (£25,000 and below)	63,167	53,239	116,406	31,917	20,707	52,624
Regular donations	7,106	2,000	9,106	28,240	-	28,240
Gift Aid on donations	8,277	1,395	9,672	26,400	-	26,400
	<u>78,550</u>	<u>91,634</u>	<u>170,184</u>	<u>86,557</u>	<u>20,707</u>	<u>107,264</u>
Total donations	<u>78,550</u>	<u>91,634</u>	<u>170,184</u>	<u>86,557</u>	<u>20,707</u>	<u>107,264</u>
Total grants and donations	<u>3,804,706</u>	<u>689,158</u>	<u>4,493,864</u>	<u>4,276,470</u>	<u>940,839</u>	<u>5,217,309</u>

3 Income from charitable activities

	Unrestricted funds	Restricted funds	2025 Total	Unrestricted funds	Restricted funds	2024 Total
	£	£	£	£	£	£
Admissions	1,708,966	-	1,708,966	1,365,536	-	1,365,536
Gift Aid on admissions	194,848	-	194,848	176,472	-	176,472
Workshops and classes	211,623	-	211,623	231,893	-	231,893
Box office	378,566	-	378,566	390,400	-	390,400
Trails	25,410	-	25,410	38,339	-	38,339
Events and hire	334,662	-	334,662	204,926	-	204,926
Other tax reliefs (MGETR)	105,371	-	105,371	190,726	-	190,726
Other	36,795	-	36,795	20,726	-	20,726
	<u>2,996,241</u>	<u>-</u>	<u>2,996,241</u>	<u>2,619,018</u>	<u>-</u>	<u>2,619,018</u>

In 2024, income of £666,434 previously classified as 'Other income' has been reclassified as income from charitable activities, consistent with its treatment in 2025.

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4 Income and expenditure from trading activities of subsidiaries

The Trust has a wholly owned trading subsidiary which is incorporated in the UK. Hampshire Cultural Trust Trading Ltd, registered number 09257219, operates the retail and catering activities of the Trust.

The trading company transfers its taxable profits to the Trust by way of Gift Aid. A summary of its trading results for the year ended 31 March 2025 is shown below. Financial statements have been filed with Companies House.

	2025 £	2024 £
TURNOVER	1,551,187	1,399,106
Cost of sales	585,779	559,459
GROSS PROFIT	<u>965,408</u>	<u>839,647</u>
Administrative expenses	932,721	825,355
Other operating income	-	-
Operating profit and profit before taxation	<u>32,687</u>	<u>14,292</u>
Tax on profit	0	4,386
Profit for the financial year	<u>32,687</u>	<u>18,678</u>
Retained Earnings		
At 1 April 2023	33,835	79,318
Profit for the year	32,687	18,678
Gift aid	(14,110)	(64,161)
At 31 March 2024	<u>52,412</u>	<u>33,835</u>
Balance sheet		
Assets	390,108	624,087
Liabilities	(336,696)	(589,252)
Net assets	<u>53,412</u>	<u>34,835</u>
Called up ordinary share capital	1,000	1,000
Profit and loss account	52,412	33,835
Capital and reserves	<u>53,412</u>	<u>34,835</u>

5 Investment income

	2025 £	2024 £
Investment income	<u>49,839</u>	<u>15,786</u>

All investment income in both 2025 and 2024 is unrestricted.

6 Fundraising and publicity	Unrestricted funds £	Restricted funds £	2025 Total £	Unrestricted funds £	Restricted funds £	2024 Total £
	337,931	2,537	340,468	294,511	952	295,463

Fundraising and publicity costs include the cost of marketing the programme of events across the venues.

7 Costs of charitable activities	Unrestricted funds £	Restricted funds £	2025 Total £	Unrestricted funds £	Restricted funds £	2024 Total £
Exhibition costs	109,597		109,597	132,601		132,601
Collections	508,642		508,642	466,119		466,119
Venues	4,447,684		4,447,684	3,975,785		3,975,785
Business development	1,515,445		1,515,445	1,431,573		1,431,573
Governance costs	117,640		117,640	119,565		119,565
Projects	79,812	861,036	940,848	120,143	1,138,058	1,258,201
	<u>6,778,820</u>	<u>861,036</u>	<u>7,639,856</u>	<u>6,245,786</u>	<u>1,138,058</u>	<u>7,383,844</u>

Business Development includes the costs of central functions such as marketing, finance, HR and IT, in addition to the leadership team. During the year, the charity incurred recruitment costs of £15,000 in relation to trustee appointments.

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

8 Auditors' remuneration	2025 £	2024 £
Audit fees - Trust	<u>28,500</u>	<u>26,000</u>
Audit fees - Trading subsidiary	<u>9,000</u>	<u>9,000</u>

In addition, fees for other services provided by the auditors amounted to £1,338 (2024 £1,838), which include advice on various matters and other compliance related services.

9 Employees

	2025	2024
	£	£
Employment costs		
Wages and salaries	4,642,755	4,475,826
Redundancy payments	29,317	28,623
Social security costs	401,470	376,392
Pension costs	376,637	373,882
	<u>5,450,179</u>	<u>5,254,723</u>

During the year two employees (2024: four employees) received redundancy/end of service payments .

Key management personnel

Employee benefits received by key management personnel during the year totalled £765,221 (2024: £661,950).

The leadership team includes the Chief Executive, Chief Operating Officer, Director of Finance, Director of Strategy and Partnerships, Commercial Director, Director of People, Director of Development, Director of Marketing and Fundraising, Director of Programme & Collections, Director of Community and Impact, and Director of Arts and Culture. Some of these roles were only in post for part of the year due to family leave and retirement.

Higher paid employees

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

	2025	2024
£60,001 to £70,000	2	2
£70,001 to £80,000	1	1
£120,000 to £130,000	<u>1</u>	<u>1</u>

Employer contributions to a defined benefits pension scheme for employees earning over £60,000 was £10,670 (2024: £nil) and contributions to a defined contribution scheme for employees who earned over £60,000 was £20,382 (2024: £19,327).

Number of employees

The average number of employees during the year was 244 in 2025 and 264 in 2024.

It should be noted that the employee numbers stated are a simple headcount, and not FTE. The Trust employs a considerable number of part-time and casual hours workers which affects the headcount.

Volunteers play a vital role across our sites and programmes, supporting areas such as visitor services, learning, events, and collections. Their contribution is highly valued but it is not practicable to measure and record this for the purposes of these accounts.

Transactions with trustees

H.West received a fee for a commercial service to the Trust during the year, £100 (2024: £nil) and A.Blackman received reimbursement of £30 (2024: £nil) for art materials purchased for an event.

Two trustees were reimbursed for travel expenses totalling £1,027 in the year (2024: £nil).

10 Tangible fixed assets

<u>Group</u>	Plant & machinery £	Computer equipment £	Fixtures & fittings £	Leasehold improvements £	Total £
Cost					
At 1 April 2024	72,796	61,470	1,041,718	166,862	1,342,846
Additions	18,301	-	18,349	-	36,650
At 31 March 2025	<u>91,097</u>	<u>61,470</u>	<u>1,060,067</u>	<u>166,862</u>	<u>1,379,496</u>
Depreciation					
At 1 April 2024	44,801	61,469	628,468	82,501	817,239
Charge for the year	14,189	1	328,018	16,686	358,894
At 31 March 2025	<u>58,990</u>	<u>61,470</u>	<u>956,486</u>	<u>99,187</u>	<u>1,176,133</u>
Net book value					
At 31 March 2025	<u>32,107</u>	<u>0</u>	<u>103,581</u>	<u>67,675</u>	<u>203,363</u>
At 31 March 2024	<u>27,995</u>	<u>1</u>	<u>413,250</u>	<u>84,361</u>	<u>525,607</u>
<u>Trust</u>	Plant & machinery £	Computer equipment £	Fixtures & fittings £	Leasehold improvements £	Total £
Cost					
At 1 April 2024	16,592	59,881	998,855	84,451	1,159,779
Additions	18,301	-	18,349	-	36,650
Assets transferred	8,252	-	3,188	-	11,440
At 31 March 2025	<u>43,145</u>	<u>59,881</u>	<u>1,020,392</u>	<u>84,451</u>	<u>1,207,869</u>
Depreciation					
At 1 April 2024	11,010	59,880	588,797	41,296	700,983
Charge for the year	9,852	1	328,017	8,445	346,315
At 31 March 2025	<u>20,862</u>	<u>59,881</u>	<u>916,814</u>	<u>49,741</u>	<u>1,047,298</u>
Net book value					
At 31 March 2025	<u>22,283</u>	<u>0</u>	<u>103,578</u>	<u>34,710</u>	<u>160,571</u>
At 31 March 2024	<u>5,582</u>	<u>1</u>	<u>410,058</u>	<u>43,155</u>	<u>458,796</u>

11 Fixed asset investments

<u>Trust</u>	Total £
Cost at 1 April 2024 and 31 March 2025	<u>1,000</u>

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

12 Stock

	Trust £	2025 Group £	Trust £	2024 Group £
Goods for resale	-	134,271	-	167,714

The 2025 total is net of a provision against obsolete stock of £12,882 (2024: nil).

13 Debtors

	Trust £	2025 Group £	Trust £	2024 Group £
Amounts due within 1 year:				
Trade debtors	55,828	63,013	103,090	138,429
Prepayments and accrued income	699,643	677,267	1,101,884	1,101,884
Other debtors	91,244	119,759	87,054	72,717
Intercompany account	181,362	-	401,822	-
	<u>1,028,077</u>	<u>860,039</u>	<u>1,693,850</u>	<u>1,313,030</u>

Prior to the period end, the charity had been awarded grants from National Lottery Heritage Fund £1,789,571 and East Hampshire District Council £535,000, for the redevelopment of the Allen Gallery, the receipt and recognition of which is contingent upon receiving permission from the funders to commence the associated project. As such, the amount has not been recognised as income in the financial year and is disclosed as a contingent asset at 31 March 2025.

14 Creditors (amounts falling due within one year)

	Trust £	2025 Group £	Trust £	2024 Group £
Trade creditors	117,395	168,617	251,873	288,860
Tax and social security	93,194	120,482	90,783	130,515
Other creditors	385,187	387,685	48,380	51,545
Deferred income	193,045	205,653	170,897	208,244
Accruals	170,648	186,016	316,789	367,608
	<u>959,469</u>	<u>1,068,453</u>	<u>878,722</u>	<u>1,046,772</u>

15 Deferred income reconciliation

	Trust £	2025 Group £	Trust £	2024 Group £
Balance brought forward	170,897	208,244	133,907	133,907
Amount released to the SoFA	(170,897)	(208,244)	(133,907)	(133,907)
Amount deferred in the year	193,045	205,653	170,897	208,244
Balance carried forward	<u>193,045</u>	<u>205,653</u>	<u>170,897</u>	<u>208,244</u>

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

16 Analysis of net assets between funds

Group

Fund balances at 31 March are represented by:

	Unrestricted funds £	Designated funds	Restricted funds £	2025 Total £	Unrestricted funds £	Restricted funds £	2024 Total £
Tangible fixed assets	110,349	-	93,014	203,363	335,105	190,502	525,607
Current assets	1,805,968	160,000	1,021,378	2,987,346	1,952,809	1,098,305	3,051,114
Current liabilities	(1,068,453)	-	-	(1,068,453)	(1,046,772)	-	(1,046,772)
	<u>847,864</u>	<u>160,000</u>	<u>1,114,392</u>	<u>2,122,256</u>	<u>1,241,142</u>	<u>1,288,807</u>	<u>2,529,949</u>

Trust

Fund balances at 31 March are represented by:

	Unrestricted funds £	Designated funds	Restricted funds £	2025 Total £	Unrestricted funds £	Restricted funds £	2024 Total £
Tangible fixed assets	67,557	-	93,014	160,571	268,294	190,502	458,796
Investment assets	1,000	-	-	1,000	1,000	-	1,000
Current assets	1,686,363	160,000	1,021,378	2,867,741	1,816,736	1,098,306	2,915,042
Current liabilities	(959,469)	-	-	(959,469)	(878,722)	-	(878,722)
	<u>795,451</u>	<u>160,000</u>	<u>1,114,392</u>	<u>2,069,843</u>	<u>1,207,308</u>	<u>1,288,808</u>	<u>2,496,116</u>

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17	Funds				
Restricted Funds	Funder	01-Apr-24	Incoming YTD	Outgoing YTD	31-Mar-25
Arts Council England					
	Arts Council England - DFE Museums and schools	31,795	64,800	64,800	31,795
	Arts Council England - Museum Development	14,782	45,873	40,600	20,055
	Arts Council England - Gosport and Rushmoor Cultural Development	68,394	(53,000)	(905)	16,299
	Arts Council England - Keynotes	27,694	-	-	27,694
National Heritage Lottery Fund					
	National Heritage Lottery Fund - Volunteering Project 2	50,449	(195)	50,253	1
	National Heritage Lottery Fund - Volunteering Project 3	-	249,910	4,806	245,104
	National Heritage Lottery Fund - Allen Development	11,389	-	10,458	931
	National Heritage Lottery Fund - Allen Delivery	-	10,000	-	10,000
	National Heritage Lottery Fund - Hunters and Gatherers	199,595	-	84,517	115,078
	National Heritage Lottery Fund - Gosport Heritage-led Re-generation and Succession Project (GHRASP)	250,771	-	79,434	171,337
Other Grant Funding					
	The Engert Watford Motor Museum	167,501	2,502	6,877	163,126
	British Museum - Portable Antiquities Scheme	2,470	29,969	30,415	2,024
	Historic England via Gosport Borough Council - Cultural Consortium	27,620	(4,190)	23,430	-
	Hampshire County Council - Hampshire Achieves	6,610	97,265	75,879	27,996
	Youth Voice Commission - Gosport Borough Council	-	41,500	34,676	6,824
	Delivery of Wessex Dance Academy 24-25 HCC	-	51,715	51,715	-
	Milestones Feasibility Project BDDB	-	30,000	30,000	-
	Other grant funding (below £25,000)	180,313	31,376	102,184	109,505
Donations					
	Jesse Cohan - Hans Coper exhibition	-	35,000	35,000	-
	Friends of the Willis Museum	25,000	-	-	25,000
	Donations below £25,000	33,922	56,633	41,946	48,609
Assets					
	Capital Depreciation Reserve	190,502	-	97,488	93,014
Total		1,288,807	689,158	863,573	1,114,392

The capital depreciation reserve represents restricted grants received to finance capital expenditure. The grants have been recognised as restricted income in the Statement of Financial Activities, but the cost of the assets has been capitalised rather than recognised as expenditure. The reserve is reduced each year by an amount equivalent to the depreciation charged on these assets.

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Restricted Funds

Restricted Funds	Funder	01-Apr-23	Incoming YTD	Outgoing YTD	31-Mar-24
Arts Council England					
	Arts Council England - DFE Museums and schools	29,258	64,800	62,263	31,795
	Arts Council England - via Royal Pavilion & Museums Trust	10,591	95,588	91,397	14,782
	Arts Council England - Outdoor Arts	2,228	-	1,000	1,228
	Arts Council England - Anglo-Saxon Winchester	39	-	(16,614)	16,653
	Arts Council England - Rushmoor Cultural Development	25,973	-	6,244	19,729
	Arts Council England - Gosport Cultural Development	35,157	55,000	41,492	48,665
	Arts Council England via HCC - WDC redevelopment	16,455	-	16,455	-
	Arts Council England - Keynotes	29,007	-	1,313	27,694
National Heritage Lottery Fund					
	National Heritage Lottery Fund - Still Curious	11,374	(5,253)	5,868	253
	National Heritage Lottery Fund - ICE	49,618	10,660	55,898	4,380
	National Heritage Lottery Fund - Forest Arts	2,657	6,492	4,198	4,951
	National Heritage Lottery Fund - Volunteering Project	25,000	-	25,000	-
	National Heritage Lottery Fund - Volunteering Project 2	-	75,000	24,551	50,449
	National Heritage Lottery Fund - Allen Development	214,667	-	203,277	11,390
	National Heritage Lottery Fund - Hunters and Gatherers	249,132	-	49,537	199,595
	National Heritage Lottery Fund - Gosport Heritage-led Re-generation and Succession Project GHRASP	-	261,992	11,221	250,771
Other Grant Funding					
	Paul Hamlyn Foundation	40,497	-	30,355	10,142
	The Engert Watford Motor Museum	200,000	-	32,499	167,501
	Hampshire County Council - Wessex Dance Academy	-	96,130	96,130	-
	British Museum - Portable Antiquities Scheme	2,947	29,637	30,114	2,470
	Emergency Exit Arts	37,100	-	21,940	15,160
	Historic England via Gosport Borough Council - Cultural Consortium	68,653	-	41,033	27,620
	Hampshire County Council - Hampshire Achieves	6,601	75,897	75,888	6,610
	Other grant funding (below £25,001)	70,416	156,209	99,080	127,545
Donations					
	Donations below £25,001	67,937	18,687	27,702	58,922
Assets					
	Capital Depreciation Reserve	291,671	-	101,169	190,502
	Total	1,486,978	940,839	1,139,010	1,288,807

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Funder	Project	Details
Arts Council England - DFE Museums and schools Arts Council England - Museum Development Arts Council England - Gosport and Rushmoor Cultural Development Arts Council England - Keynotes	Reaching Out! Museum Development South West Rushmoor & Gosport Cultural Development Keynotes project	Project working with North Hampshire schools to increase museum engagement South West Museum Development Programme Pilot for Cultural Development roles and arts projects to progress cultural strategy Grass roots music programme at the Arts Centres
National Heritage Lottery Fund - Volunteering Project 2 National Heritage Lottery Fund - Volunteering Project 3 National Heritage Lottery Fund - Allen Development National Heritage Lottery Fund - Allen Delivery National Heritage Lottery Fund - Hunters and Gatherers National Heritage Lottery Fund - GHRASP	Volunteering Innovation Project Volunteering Innovation Project Test Phase Allen Gallery Development Allen Gallery Development Hunters and Gatherers Gosport Heritage-led Re-generation and Succession Project	Participation in Heritage Innovation Fund to develop a new volunteering strategy Participation in Heritage Innovation Fund to develop a new volunteering strategy Funding programme for the development phase of the Allen Gallery redevelopment Funding programme for the delivery phase of the Allen Gallery redevelopment An audit and research, collections based project funded by NLHF A project supporting the cultural strategy in Gosport through community engagement in regeneration activity
The Engert Watford Motor Museum	Historic Vehicle Collection	Funding to support the repair of 3 historic vehicles and enhance the Trust's public programme
British Museum	Portable Antiquities Scheme	Identification and recording of metal detecting finds made in Hampshire
Historic England via Gosport Borough Council Hampshire County Council Gosport Borough Council	Gosport Cultural Consortium Hampshire Achieves Youth Voice Commission	3-year cultural programme, funding on behalf of Historic England as part of HSHAZ Programme of courses for adults with mental health issues A cultural development project in Gosport to engage young people with local partners through film and sound
Hampshire County Council Basingstoke and Deane Borough Council	Wessex Dance Academy Milestones Feasibility	Grant for provision of dance artists Funding to support the feasibility study for Milestones Museum

18 Designated Funds	2025	2024
	£	£
The Great Hall commercial investment	100,000	-
Allen Gallery redevelopment contribution	60,000	-
	<u>160,000</u>	<u>-</u>

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

19 Commitments

Neither the Trust nor the group had any capital commitments at 31 March 2025 (2024: nil).

20 Operating leases

The Trust has operating lease commitments in respect of the properties it manages and operates from, and also in respect of vehicles which it operates.

The museums and arts centres, and also the central office spaces are leased from the founding members and other local authorities, as agreed in the Management and Funding Agreement. The lease terms are for 35 years and a peppercorn rent is payable. There are 25 years remaining at the balance sheet date.

The Trust has an additional lease, on a rolling six month basis, for 878 AD, The Brooks Shopping Centre, Winchester.

There are future commitments of £66,557 (2024: £19,536) at the balance sheet date, relating to the remainder of four vehicle lease agreements. Two of the vehicles are in use in the business, and one of these was replaced during 2024/25 with a new lease contract being entered into. The remaining two vehicles have been leased in 2024/25, and are part of the Electric Vehicle salary sacrifice scheme introduced during 2024/25 as an optional employee benefit. Whilst these leases are with the company, the cost is passed entirely to the employee by payroll deduction. After six months any liability to the Trust expires.

21 Related party transactions

Grant funding received from Hampshire Country Council and Winchester City Council has been detailed in note 2 and note 17.

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

22 Taxation

All of the Trust's income is applied for charitable purposes and is therefore exempt from corporation tax. The Trust's trading subsidiary had a corporation tax liability of £nil at 31 March 2025 (2024: £nil).

23 Ultimate controlling party

The ultimate controlling party is the Board of Trustees.

HAMPSHIRE CULTURAL TRUST

England & Wales - Charity number 1158583

Accounts

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

**TRUSTEES' ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

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

Hampshire Cultural Trust
Company number: 08986225

Trustees' Report

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Trustees' Report

Reference and Administrative Details

Company registered number	08986225
Charity registered number	1158583
Registered office and principal address	Chilcomb House, Chilcomb Lane, Winchester SO23 8RD
Website	www.hampshireculture.org.uk
Directors and Trustees	Alan Lovell (Chairman) Emma Back Rachel Bebb (resigned 29 September 2023) Anna Blackman Mark Brett (appointed 25 May 2023) Peter Cardy OBE (resigned 11 May 2023) Karen Chillman (appointed 25 May 2023) James Croxford (appointed 14 June 2023) Yinnon Ezra MBE (resigned 29 September 2023) Keith Mans Hugh McNaughtan Claire Miller Michael Southgate (resigned 29 September 2023) Lucille Thompson Helene West James Winkworth
Company Secretary	Victoria Donkin (resigned 17 May 2024) Penelope Ann McKelvey (appointed 17 May 2024)
Chief Executive	Paul Sapwell
Auditors	PKF Francis Clark Hitchcock House Hilltop Park Devizes Road Salisbury SP3 4UF
Principal Bankers	Natwest Bank 105 High Street, Winchester SO23 9AW
Solicitors	Paris Smith LLP 11 London Road, Southampton SO15 2AE

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Trustees' Report

Report of the Trustees (incorporating the Directors' report) for the year ended 31 March 2024

The Trustees of Hampshire Cultural Trust ("the Trustees") are pleased to present their annual report together with the consolidated financial statements of Hampshire Cultural Trust ("the Trust") and its one subsidiary, Hampshire Cultural Trust Trading Ltd ("the trading company"), for the year ended 31 March 2024.

The Trustees (who are also directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Legal and regulatory requirements are detailed in the Statement of Trustees' responsibilities below in the Corporate Governance report.

Chairman's Report 2023-24

Despite the challenges of the deepening economic threat to heritage and the arts, combined with the national cost-of-living crisis, 2023-24 was nevertheless a successful year for Hampshire Cultural Trust. We welcomed 715,102 visitors to our venues, a 13% increase on last year, and achieved a surplus.

Our long-held ambition to welcome Winchester's Great Hall into our portfolio was realised in March 2024, when we took on operational responsibility for one of the county's most iconic heritage attractions. 878 AD completed its first full year of operation and we achieved one of our key objectives: the venue has seen a shift from traditional, older heritage audiences to a younger visitor profile, proof of concept that interpreting history in a new, exciting way opens it up for more to discover.

We completed our first year as an Arts Council England (ACE) National Portfolio Organisation, during which we proudly advocated the long-term future of arts and culture in the New Forest, Rushmoor and Gosport. Our work in these ACE priority places centred around ambitions to increase the number of people enjoying arts and culture, supporting local individuals, groups and organisations to build the reach and quality of their offer and working closely with local authority partners on the development or progression of their cultural strategies.

Two National Lottery Heritage Fund projects began during the year. Data Hunters and Story Gatherers is a unique project designed to engage younger volunteers to improve collections auditing and research through gamification, while the Gosport Heritage Generator programme is a three-year project that aims to celebrate Gosport's heritage and invest in its future. The development phase of the Rediscovering the Allen Gallery project, also Heritage Fund backed, saw over 1,500 volunteer hours dedicated to inventorying and auditing 7,100 objects from our ceramics collection, while nearly 1,000 people participated in our enhanced community programme.

The second phase of our Heritage Innovation Fund project started in October 2023, with the aim of strengthening, growing and diversifying our volunteer base, as well as improving the impact of our volunteering programme. Our equity, diversity and inclusion (EDI) action group was established in autumn 2023, and great strides have already been made to embed EDI in both our programming and venue plans. Pursuing our ambition to achieve net zero by 2030, over 37% of our workforce have now completed Carbon Literacy training, and our Big Switch Off campaign, encouraging teams across

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the Trust to be more energy conscious, resulted in a 17% reduction in energy usage across the portfolio.

The powerful Our Windrush Story exhibition at the Willis Museum in Basingstoke commemorated the 75th anniversary of the arrival of HMT Empire Windrush in the UK, bringing to life stories of Basingstoke residents. We were proud to be chosen 2023 Champion for Black History Month by the Basingstoke Cultural Diversity Consortium, one of our exhibition partners. In The Gallery at The Arc in Winchester, household names of the art world – John Constable, Georgia O'Keefe and Grayson Perry – mingled with stars from our own collections, as *SHOES: Inside Out* showcased an eclectic selection of shoes from the 11th century to the present day. Gosport Museum and Art Gallery saw the second of our commissions to mark its opening after refurbishment in 2022, with *Unearthing* by Mary Branson taking inspiration from archaeological artefacts held in our collections.

2023-24 saw the end of ICE Heritage, which over its three years saw 76 young people engaging in nine 10-week programmes and curating their own exhibition to share experiences about mental health. Working with the Murray Parish Trust, the Stepping Stones project was launched as a successor to ICE Heritage as a way to continue to offer programmes to young people in Hampshire who may need support with their mental health and wellbeing.

While 2023-24 has undoubtedly been a solid year for the Trust, I cannot understate the size of the challenge that lies ahead. Proposed reductions in local authority funding pose an existential threat to the future provision of culture in our county, and in 2024-25 we face the very real prospect of having to close some of our venues. Sadly, we had to say farewell to Bursledon Windmill in March 2024, with lack of funding a key factor in its closure as a visitor attraction. This funding challenge would be daunting for many, but the Trust will face it head on. Our organisational structure and business plan recognise the importance of commercial growth, and in conjunction with our HCT 2030 strategy, will see us move forward to the end of the decade.

I would like to thank our funders, partners, visitors and donors for their continued support, and as always, am indebted to the extraordinary team of staff and volunteers at Hampshire Cultural Trust who give their all to help the Trust change lives through culture.

STRATEGIC REPORT

Report on public benefit

Hampshire Cultural Trust provides public benefit as a charity by making available Hampshire's and Winchester's collections and venues to all members of the public. We manage and support visitor attractions, museums, art galleries and arts centres across Hampshire and provide a huge variety of workshops, classes, events and projects for all ages, in schools and in communities, with particular emphasis on reaching people who are vulnerable or disadvantaged and would not normally be able to access arts and culture. We care for circa 2.5 million objects that relate to Hampshire's and Winchester's rich and internationally important cultural heritage.

Our Trustees have complied with their duty to have due regard to the Charities Commission's public benefit guidance when exercising powers and duties to which the guidance is relevant.

Trustees' Report

Achievements and performance

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

GOAL ONE

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

We welcomed 715,102 visitors through our doors, a 13% increase on last year. This return of visitor numbers to pre-pandemic levels demonstrates the return of popularity of in-person experiences combined with effective programming and promotional activity.

Our total digital engagement, which includes a combination of website sessions and social media impressions, was 14 million, an increase of 39% on last year. This significant growth can be attributed to more refined audience targeting as well as an increase in digital marketing activity which has achieved a much broader online reach.

Our proactive PR programme continued to promote and raise awareness of our exhibitions, events and activities to a broad audience, both on a local level and on a national platform. For the first time we were featured on BBC Radio 4's Woman's Hour, with a feature on exhibition *SHOES: Inside Out* in the Gallery at The Arc, Winchester, and we also secured coverage in all major nationals including the Times, the Sunday Times, the Telegraph, the Guardian, the Observer and i, in print and online. Broadcast features performed strongly, with transmissions on the BBC's CBBC, Inside the Factory, Bargain Hunt and Celebrity Antiques Road Trip, as well as on BBC South and ITV Meridian.

Across our flagship galleries, we continued to build a reputation for high-quality, innovative exhibitions. In the Gallery at The Arc, Winchester, household names of the art world mingled with stars from our own collections. The season opened with *Constable: The Dark Side*, an original exhibition exploring the painter's obsession with the contrast between light and dark in nature. Curated by art historian Nicola Moorby, the exhibition received critical acclaim and was accompanied by an engagement and event programme including an evening with celebrated art broadcaster, author and lecturer, Andrew Graham-Dixon.

Following this British icon, we connected audiences with a major figure of American modernism in *Georgia O'Keeffe: Memories of Drawing*, a Hayward Gallery Touring exhibition from Southbank Centre, London. With no artworks by O'Keeffe held in UK public collections, this exhibition presented a rare chance to see her work in person outside the US.

Our collections then took centre stage, as *SHOES: Inside Out* toured to Winchester from its debut at the Willis Museum earlier in the year. Over 70 pairs of shoes from the Trust's collections were on display, alongside high-definition X-rays of selected pieces to glimpse the story within.

Coming in at the end of the year, contemporary British artist Grayson Perry made his return to the Gallery with *Essex House Tapestries – The Life of Julie Cope*.

Complementing, and at times responding to the programme in the Gallery, our City Space exhibitions in The Arc focused on providing a platform for local talent. In May, we presented the first solo

Trustees' Report

exhibition by artist, actor and co-founder of The Murray Parish Trust, James Murray. The abstract works, collectively titled *In Flow*, were a response to the works displayed in *Constable: The Dark Side* and celebrated painting as a medium. Kate Dicker and Pete Jarvis followed in June with their interpretations of built and natural landscapes, also responding to Constable's work.

Printmaker Kate Watkins and the Winchester Art Club each then had exhibitions alongside the presentation of Georgia O'Keeffe. Textiles were the central theme in City Space throughout *SHOES: Inside Out*, with solo show *Keepers* by Vanessa Rolf followed by a showcase of work from the Winchester Textile and Embroidery Group. Finally, opening to coincide with Grayson Perry's exhibition, *This is Me* took over City Space, celebrating identity in all its glorious diversity with a showcase of work by young people who had taken part in our ICE Heritage programme and submissions from local groups, clubs and partners.

At the Willis Museum and Sainsbury Gallery in Basingstoke, the year began with the long-awaited collaborative exhibition *Our Windrush Story*, which opened in time to commemorate the 75th anniversary of the arrival of HMT Empire Windrush. This powerful exhibition was brought to life through stories and personal items from members of the Basingstoke Caribbean Society and Friends and Cultural Diversity Consortium. It brought in a new audience to the Willis Museum and Sainsbury Gallery and led to the Trust being chosen by the Cultural Diversity Consortium as their 2023 Champion for Black History Month. Plans for 2024 and beyond are to build and strengthen relationships with these important local organisations.

From August, *Gizmobots* delighted audiences with imaginative and quirky sculptures that showed the potential for upcycling discarded objects into beautiful works of art. The gallery then welcomed British painter David Remfry RA with his show *We Think the World of You*, an exhibition of portraits of people and their dogs. It culminated in a sold-out In Conversation talk with the artist.

To end the year, audiences were transported 2,000 years back in time to glimpse what life would have been like when the Romans were in Britain. In partnership with the University of Reading, we presented *Becoming Roman: Silchester a Town of Change*, marking 50 years of research excavations at the north Hampshire site and bringing to the gallery a behind-the-scenes view of an archaeological dig that has been revealing its secrets for half a century. The exhibition proved very popular with our visitors, offering a rare opportunity to see on public display more than 150 objects discovered at a local heritage site, many for the first time.

At Gosport Museum and Art Gallery, we hosted the *Underwater Photographer of the Year* for the first time, which was well received by audiences, resonating with the venue's coastal setting. Over the summer, we trialled our first charging exhibition, *Sandstories*, which saw more than 20 tonnes of sand brought into the gallery for artists Paul and Remy Hoggard to sculpt into a 3D scene celebrating Gosport's peninsula location from its skyline to the bottom of the sea. Alongside the exhibition, the team ran family activities such as *Sand School*, as well as work experience placements for over 30 young people to earn their Arts Awards.

In the autumn, we opened the second of our series of artist commissions, welcoming Mary Branson for her show *Unearthing*. Given a brief to explore the local collections, in this very different approach

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to displaying archaeology, Branson chose to reinterpret hundreds of archaeological artefacts in the realisation of her striking multimedia work, combining contemporary art with ancient material culture. The piece traced the human journey through the ages, culminating in a message about the lasting impact we are having on our planet.

For our last show of the year, we opened up the gallery to artists from across the region in the return of our *Open Art* exhibition. Over 50 artists took part, submitting more than 70 works in a range of different mediums. With each of the pieces for sale, this exhibition also helped to support artists to make a living from their work.

Our four live performance venues – Ashcroft Arts Centre, Forest Arts Centre, the West End Centre and The Arc – hosted over 450 music, comedy and theatre shows during the course of the year. Comedy continued to be a strong part of the offer, with sold-out shows by the likes of Angela Barnes, Fin Taylor, Lucy Porter, Tom Davis, John Kearns and Mark Simmons. Our relationship with performers also allowed us to book work-in-progress shows by top names such as Jo Brand, Chris McCausland, Ed Gamble, Mark Thomas, Milton Jones and Alfie Moore.

Our music offering was vibrant and varied: from folk favourites like Talisk to rockabilly outfit The Dodge Brothers and classical music from Winchester Chamber Orchestra; from first time visitors such as N'famady Kouyaté to firm friends Otway and Barrett, and from perennial crowd pleasers the Budapest Café Orchestra to an unexpected hit, Primary School Bangers.

Through our unsigned music nights, we supported over 80 local acts to develop their experience playing in a professional setting. We are now seeing artists who have performed as part of our unsigned nights coming back as headliners for their own, sold-out shows. Classes and workshops continued to bring in local audiences, providing an opportunity for hands-on learning across a multitude of art forms, from painting and life drawing to pottery, dance, jewellery making and sewing.

Gosport Borough Council commissioned the Trust to run their Christmas Lights Switch On in the town centre at the end of November. The event was sponsored by internet provider toob and received support from outdoor arts organisation Without Walls as part of our touring network partnership. Feedback on social media was overwhelmingly positive, and independent footfall monitoring suggested attendance of 32,500 people, a 16% increase on last year's event.

Funded by Historic England as part of the multi-year High Street Heritage Action Zone programme, the Gosport Cultural Consortium, led by Hampshire Cultural Trust (HCT), worked with outdoor arts company Emergency Exit Arts on a community carnival through Gosport's high street. Hi! Street Fest saw locals trained to build and operate a large-scale puppet of a diver which led a procession of over 100 local performers from a samba band to dance troupes. Despite the challenging weather on the day, the event provided a joyous spectacle to audiences.

Milestones, Hampshire's Museum of living history, welcomed 113,471 visitors during the year. The events programme focused on key trading periods and included the launch of a new, temporary exhibition over the summer, *Wash Day*, which introduced our visitors to clothes washing through the

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ages in a display of 162 objects from our collections, including coppers, mangles and washer dryers. The museum's cobbled streets were suitably dressed to create a haunted Halloween, while the venue's ever-popular Victorian Christmas, including the destination Christmas market, exceeded its visitor figure budget.

In 2023-24, over 16,000 schoolchildren experienced our learning programmes. 4,994 of these were through the Department for Education funded programme Reaching Out, which aims to engage with schools that have above average indices of deprivation. This funding enabled us to develop new school programmes linked to our venues and collections, creating more immersive experiences for schools to engage with. Reaching Out will continue in 2024-25. We delivered our first Teacher Taster days at 878 AD during holiday periods, a relaxed opportunity for teachers to experience and explore our school programme offer. The taster days are steadily increasing in demand, and we plan to extend them to other venues in 2024-25.

The Milestones education programme ran at capacity, with 10,458 schoolchildren and 2,143 teachers and helpers visiting the museum. The learning team trailed a new KS4 programme exploring Basingstoke's history and identity, including issues of class and gender. Working closely with a local education centre's citizenship programme, the visit was tailored to the needs of the students with positive results.

The 878 AD schools programme was launched in July 2023, complementing the venue with an immersive experience for KS2 pupils and beyond. Pupils were invited to dress up in Anglo-Saxon costume, then travel back in time to help complete a series of missions in preparation for the return of King Alfred after the Battle of Edington. They were also able to develop their learning through interactive scenes performed by the 878 AD actors. The learning programme at Aldershot Military Museum was realigned to the wider HCT offer, with a range of fully immersive workshops introduced that explore World War II, STEM-based experiments and local history.

2022-24 Hampshire Poet Nazneen Ahmed Pathak finished her two-year laureateship in December 2023. During her two years in post, Nazneen opened up poetry to new audiences through a number of engagement opportunities across Hampshire, including performing at the Winchester Platinum Jubilee Service, judging the Hampshire Young Poets 2023 competition, delivering workshops at Milestones Museum for communities seeking sanctuary in the county and curating a Celebration of Bengali Poetry event at The Arc, Winchester. The Hampshire Poet programme is a partnership between HCT and Winchester Poetry Festival.

At the Red House Museum and Gardens in Christchurch, a retrospective exhibition highlighted the work of letter cutter and stone carver John Andrew (1933-2021), who lived and worked in the town. As an apprentice stonemason, he mastered the skills which later resulted in major public and private commissions. The exhibition included loans from Southampton City Art Gallery and Russell-Cotes Art Gallery and Museum, and received sponsorship and support from Friends of the Red House Museum, Christchurch and District Arts and Phoenix Granite and Marble Ltd. A programme of events accompanied the exhibition, including stone carving workshops and demonstrations.

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Ensuring ongoing improvements to our programme and facilitating the touring of our shows both internally and with external partners, the conservation team supported a wide range of exhibitions, working on objects as varied as Ancient Egyptian ushabtis (funerary figurines), Edwardian costume, Louboutin shoes and armoured vehicles. Supported by a grant of £200,000 from The Engert Watford Motor Museum, in 2023-24 we started a project to conserve three vehicles from our unique industrial heritage collection and invest in our workshop facilities.

Collections saw a large increase in its social media engagement in 2023-24, with a combined reach across all its channels of 4.5 million. Our dedicated Transport in Old Photographs Facebook page in particular saw significant growth, proving the national, and even international, interest in our industrial heritage collections and conservation work.

GOAL TWO

To improve wellbeing, health and happiness through cultural experiences

Rediscovering the Allen Gallery

2023-24 saw the completion of the National Lottery Heritage Fund (the Heritage Fund) backed development phase of the Allen Gallery project in Alton. This first phase focused on rediscovering the ceramic collections at both the gallery and in our central stores to reveal their untold stories and on our work in the community. We built on our current relationships with community groups and partners, and forged new ones, developed more volunteering opportunities and expanded our programme of events and activities, establishing a clearer link between the gallery and its gardens.

A community programme was developed and delivered throughout the year, enabling us to pilot and test a range of engagement opportunities in preparation for the delivery phase funding application, which was submitted in February 2024. The programme delivered 32 artist and volunteer-led public workshops, two potter forums, regular activity days, gallery tours and free drop-in sessions, six film nights, two specialist ceramics workshops and 11 exhibitions. More than 320 people participated in family workshops, 579 adults engaged in gallery activities, 12 local artists and facilitators worked across the programme, 10 of whom live or work within seven miles of Alton, and 21 young people aged 11-18 learned pottery and gardening skills through a partnership with the South Downs National Park Authority.

Highlights from the Allen Gallery development phase.

1. Creative and Curious

The Creative and Curious project was part of the Allen Gallery's older people's programme, run in partnership with Dementia Friendly Alton (DFA). Consisting of two stages, it aimed to support ongoing work to promote positive wellbeing and foster community. A workshop programme and content were developed with DFA, using the Allen Gallery collections and garden as a resource and stimulus. Clay moulding and printmaking workshops explored the natural world through looking at images, colour and patterns, alongside workshops using tiles and vessels from the collection to support storytelling and shared experiences around memory loss. In addition, eight pupils from years

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5 and 6 at St Lawrence Primary School participated in each session. The first stage of the project culminated with the group's work being compiled into a booklet and exhibition for the King's Coronation, an idea which evolved from the group, and which built on DFA's prior nomination for the Queen's Award for Voluntary Service.

2. Project Thrive

Project Thrive was a funded programme for young people aged 11-18 in partnership with South Downs National Park Authority, with activity taking place at the Allen Gallery and in its garden and two additional sessions being delivered at a local nature reserve. Young people were invited to participate in sessions exploring nature, creativity and wellbeing led by gardener and wellbeing advocate Leigh Johnstone, the Beardy Gardener, supported by other facilitators. The project's core purpose was to improve the health and wellbeing of vulnerable young people by engaging with nature.

3. School in residence programme

Starting in April 2023, for five weeks a local primary school took up residency at the Allen Gallery, with weekly sessions being delivered by their art teacher. The students explored the collections and took inspiration from animal motifs to make pottery animal feeders as part of Art Fund project The Wild Escape, which encourages organisations to collaborate on exploring wildlife in museum and gallery collections.

4. Artist in residence

We piloted an inaugural Artist in Residence programme to promote the collections as a valuable and relevant resource for research and making. The residency brief invited an artist to produce a fresh, creative response to the internationally significant ceramics collection and its setting. The residency complemented the Potters' Forum, where the gallery is used as a venue for monthly meetings by practising ceramicists, as well as classes run by experienced ceramic practitioners and educators, embracing the gallery's role as a place for engagement with current art and ceramics practice. Early-career sculptor and ceramicist Camilla Hanney was selected, her interest in exploring specific objects and themes in the collections aligning with the aims of the Allen Gallery project.

5. Local makers

The Allen Gallery has been developing connections with artists and makers in the area, building on its reputation as a space for makers and artists to exhibit and sell their work. During the year, we built new relationships with a number of local artists and ceramicists, inviting them to work with us by being part of the exhibition programme in either the gallery or the café display space, by offering workshops or by selling their work in the shop. An exhibition from local group 318 Ceramics proved

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to be both a draw for visitors and a commercial success. We also reconnected with the Alton Art Society and will be a key venue for the inaugural Alton Arts Festival in July 2024.

Inclusive learning programmes

The learning team reviewed how our schools programme can better support learners with additional needs. At Milestones Museum, adaptations were made to ensure there are always inclusive options available within the standard programme to accommodate those with varying needs, for example, to cater for those with visual impairments, activities were reworked with enlarged and adapted writing resources and a finding activity led by sound rather than a visual hunt. Social stories were also created at 878 AD and Winchester City Museum to support children with ASD (autism spectrum disorder) diagnosis and SEMH (social, emotional and mental health difficulties).

Brighter Futures

Running since 2018, Brighter Futures works with adults from across the county to engage them in creative activities to support their mental health and wellbeing. These courses aim to build confidence, provide space and time for individuals to process and work through personal challenges and life changes, develop interest and skills and provide opportunities for individuals to connect with others in their community. The programme was delivered in Basingstoke for the first time in 2023-24 alongside programmes in Winchester and Fareham. Working with local artists, the programme delivered a greater variety of courses as part of our venue-based provision, including needle felting, experimental drawing and dance for adults with learning difficulties, with 41 courses delivered across 13 art forms to 356 participants at seven venues.

Creative Boxes

First established during the coronavirus pandemic, the Creative Boxes programme continued to support young people across Hampshire to engage in creative activity in 2023-24. Young people from Swanwick Lodge residential unit in Eastleigh worked with artist Sarah Gaiger over three, six-week residencies to introduce art into their curriculum and help them express themselves in a safe and creative way. During summer 2023, we worked with the Hampshire Youth Crime Prevention team on three creative projects which enabled young people to visit our venues and engage with creative activity utilising exhibitions and collections as inspiration. Continuing our partnership with Hampshire CAMHS (Child and Adolescent Mental Health Services), young people worked with artist Becki Clark to design artwork to go on permanent display in the Eastleigh CAMHS clinic waiting room.

Horizon 2024

The Horizon 20:20 programme, which ran between 2017-23, worked with seven education centres across Hampshire, and in 2023-24 we continued that relationship at two of the centres. Artists and young people at Rowhill School in Aldershot and Greenwood School in the New Forest created artwork inspired by artist Grayson Perry for the *This is Me* exhibition that went on display at The Arc, Winchester, in March 2024.

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ICE Heritage

ICE Heritage ran from 2021–23, providing a supportive opportunity in a safe setting for young people referred by Hampshire CAMHS to learn art and heritage skills. Young people attended 10-week programmes at three of our community museums – Aldershot Military Museum, Andover Museum and Museum of the Iron Age and Westbury Manor Museum – where they worked with local artists to engage with their surroundings. The museums played an important role in inspiring and enabling creativity, hosting exhibitions and providing progression opportunities for learning and artistic engagement. The experience helped participants see the value of taking part in artistic activities, inspiring them to continue creating and take up progression opportunities, as well as leaving them feeling more confident, emotionally positive and resourced to try new things.

Stepping Stones

When the ICE Heritage programme came to an end in December 2023, the Stepping Stones programme was launched as a way to continue offering programmes for young people in Hampshire who may need support with their mental health and wellbeing. Through working with the Murray Parish Trust, funding of £36k was secured to launch the programme in February 2024, with the first programme starting in Alton. It will continue to run in 2024 with groups in Southampton, Basingstoke and Aldershot, followed by other areas later in the year.

Community garden project at the Red House Museum

This externally funded project, in partnership with the Friends of the Red House Museum who secured funding from Dorset Community Foundation, welcomed over 70 people to take part in a range of wellbeing activities over two days in May. Activities involved working with a professional ceramicist at the museum, who taught participants new skills working with clay to enable them to create decorative name plaques for just over half of the plants in the museum's herb garden. The plaques were installed in time for the Friends Summer Garden Party in August. As well as working with a ceramicist, the project gave schoolchildren the chance to learn more about herbs and to make their own Roman-inspired perfumed oil.

The venue volunteers gave tours of the gardens to different community groups, including participants in the dementia friendly programme, Tuesday Strolls.

HMP Winchester

Since 2018, we have worked with HMP Winchester to deliver applied theatre programmes to groups of male prisoners with the aim of positively affecting prisoners' attitudes, thinking and behaviour. Each programme is unique and is based on the individual and collective stories, ideas, values and experiences of the group. At the end of the programme, the men share their work, which may involve a performance with other prisoners, staff and an invited audience. Delivered in partnership with BearFace Theatre, since the programme began, we have worked with more than 100 men over nine programmes, with three taking place in 2023-24.

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Sounds of the Forest wellbeing walks and activities

Forest Arts Centre received funding from New Forest National Park Authority to deliver wellbeing walks in the forest, aimed at engaging people who were struggling with loneliness and feeling isolated as a result of COVID-19. The introduction of outdoor-based, wellbeing activities enabled them to socialise in the natural environment without feeling pressure to attend a class at the venue. 80% of those who attended said that they felt that they belonged more to their neighbourhood than previously, while 100% said they felt more connected to nature and that their overall health – physical, emotional or mental – had significantly improved compared to people of their own age.

Elevate: Dance for MS and Parkinson's Dance

For a number of years, Forest Arts has run successful dance classes for those living with Parkinson's, proving arts interventions have significant physical, mental and social benefits for those living with this type of disease and their carers. This year, Forest Arts piloted a similar project for those living with MS, testing the popularity and effect on health and wellbeing for Hampshire communities. The aim is to roll this programme out in 2024-25.

GOAL THREE

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

Despite the financial challenges facing our sector, our adaptable and resourceful approach to fundraising and income generation has further strengthened our position as a resilient and sustainable organisation.

In 2023-24, HCT became a National Portfolio Organisation (NPO) for Arts Council England (ACE). Securing funding of £500k each year until 2026, HCT joined the portfolio to help increase arts and cultural engagement in three of ACE's priority places in Hampshire: Gosport, the New Forest and Rushmoor.

Our work in these areas centred around ambitions to:

- Increase the number of people enjoying arts and culture
- Support local individuals, groups and organisations to build the reach and quality of their work
- Be a proud advocate for the long-term future of arts and culture in priority places

Over the course of the year, our team helped to deliver a range of audience engagement and development events with partners across the county, from the Little Day Out in Rushmoor with Hampshire FA, Fluid Motion and Spinney Hollow, to Hil Street Fest with Emergency Exit Arts in Gosport and the Play on Words festival and writing programmes in the New Forest.

We met with over 50 artists, groups and organisations both to understand their ambitions and challenges and to support the growth and development of their work. Where it was beneficial, we also committed to in-kind support such as venue hire and cross-promotion to help bring their plans to life.

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We played a key role in supporting strategic planning for arts and culture in the three priority places, working with local authority partners on the development or progression of their cultural strategies, feeding into regional funding bids and coordinating groups such as the Cultural Compact in Rushmoor and an informal NPO network in the county.

Supported by the Heritage Fund and Gosport Borough Council (GBC), in November we commenced a three-year programme focused on improving the skills and resilience of heritage groups and organisations in Gosport and the surrounding area. It will see us commission partnership-based projects working with both GBC and the Makers Guild, deliver action-learning training based on the needs of local practitioners and provide a £70,000 investment in local projects through a community grant initiative. The early months were focused on laying the groundwork for each of the five project strands, with delivery beginning in 2024-25.

In March 2024, the Trust took over operational responsibility from Hampshire County Council for The Great Hall, the second largest visitor attraction in Winchester with a current footfall of circa. 80,000 people per annum, principally drawn by the iconic round table. With this revenue-generating venue in our portfolio, we now have the necessary critical mass to realise our plans to unify Winchester's heritage and support the Trust's future financial resilience. The Westgate and The Great Hall are now managed as a single attraction, with harmonised opening hours and a single admission ticket.

At the same time, we launched a unifying Historic Winchester brand to bring together all the historic venues that we operate in the city. The introduction of multi-venue tickets – the Historic Winchester Super Explorer and Historic Winchester Explorer – present a high value customer offer, binding the venues as one proposition and encouraging people to visit all our city centre historic attractions, increasing footfall and revenue.

Working with Basingstoke and Deane Borough Council (BDBC), we carried out a feasibility study of the Willis Museum and Sainsbury Gallery to explore its potential as a cultural draw in the Top of the Town. The study responded to our vision for the site and explored options for physical alterations to the building to support longer term income generation, community engagement and development of a high-quality arts and heritage offer.

Also working with BDBC, we secured £21,910 in funding from their Pride in Place Fund to create a 1960's themed Memory Lounge at Milestones Museum, working with local dementia groups and care homes to develop and test an older people's programme, facilitated by trained local volunteers and increasing people's wellbeing, local pride and life chances as well as bringing economic benefits to the area.

Since November, Gosport Museum and Art Gallery has delivered four music evenings to showcase local musical talent and broaden the reach of the museum's programme. Nearly 200 people have attended these evenings, with three selling out. The museum is beginning to be recognised as a new venue in the town, and the feedback and attendance demonstrate that there is a clear demand for these more intimate musical experiences.

The second phase of the Rediscovering the Allen Gallery project – the delivery phase – received funding from both East Hampshire District Council's Community Infrastructure Levy (£450,000) and

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Alton Town Council's Neighbourhood Community Infrastructure Levy (£15,000k), both of which will be recognised as income in 2024-25. We were proud to be featured as an example of best practice in Arts Council England's *'Guidance on seeking and securing developer contributions for museum and arts provision in England'*. Our application to the Heritage Fund for the delivery phase of the project was made in February 2024 and is expected to be confirmed in July 2024. Once all funding is secured, development will begin in late 2024 to reimagine the collection of nationally and internationally important ceramics and transform the gallery into a thriving heritage and cultural hub for the community of Alton and the surrounding area.

In 2023-24, we invested in the development of a masterplan vision to inform funding applications for the future development of the central stores at Chilcomb House, with the aim of creating accessible, efficient and carbon neutral storage fit for the future.

To improve the overall quality of the collections, we acquire and dispose of objects under the strict rules agreed with our partners at Hampshire County Council and Winchester City Council. In 2023-24, we acquired a rare example of a complete set of Iron Age chariot fittings with the support of grants from the V&A and the Wolfson Foundation. As part of a strategic review of the vehicle collection, three large, historic vehicles with no connection to Hampshire are being transferred to other organisations dedicated to public engagement.

2023-24 marked a significant leap forward in our commitment to environmental sustainability. Our strategic focus on measuring and advocating for carbon impact reductions drove meaningful progress towards our goal of achieving net zero by 2030. We calculated our baseline carbon footprint, establishing a comprehensive understanding of our current emissions, and commissioned a detailed net zero report outlining our pathway to achieving net zero emissions by 2030. All our venues now have access to precise energy data and key staff members were trained in monitoring and collecting this data, enabling accurate, ongoing assessments of our environmental impact.

Our Switch Off campaign encouraged energy conservation across all our facilities and yielded impressive results, with a 17% reduction in energy use in the three months after launch.

We made funding applications with a value of £222,900 which were focused specifically on supporting the delivery of our environmental goals. Environmental responsibilities were made a staple in every job description, ensuring that all employees are aligned with and accountable for our environmental objectives.

We initiated in-house carbon literacy training, with 37% of our employees and 25% of our Trustees now certified, and participated in the Carbon Literacy Action Day in December, extending our training to other organisations in the sector. We piloted the Chilcomb Green Team, which focused on improving biodiversity across the Chilcomb site, introduced e-bikes for staff travel between our Winchester venues and established a recycling process for nitrile gloves. This work was documented in a comprehensive case study published on our website, offering a model for other organisations aiming to enhance their sustainability practices.

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GOAL FOUR

To create fulfilling employment and volunteering opportunities through culture

We employ more than 260 staff, including casual staff, and engage over 400 volunteers. Our people are our most valuable asset, delivering our strategic priorities and social impact. It is therefore critical we hire the best possible talent. Following last year's launch of our employer brand, Make Your Mark, we invested further in improving the candidate experience through upskilling our hiring managers. Our Licence to Hire programme, which is mandatory for all hiring managers, covers the importance of the candidate experience, avoiding potential bias, understanding our processes, interview skills and operating our applicant tracking system. As a result, we have seen an improvement in the quality and diversity of new hires.

Volunteering

We were awarded £75,000 from the Heritage Fund for the second phase of the development of our volunteer programme. After completing the first phase of the project earlier in the year, to date the second phase has helped us strengthen, grow and diversify our volunteer base as well as improve the impact of our volunteering programme. We facilitated focus groups and a volunteer survey to understand what our volunteers want us to focus on and consequently implemented a series of volunteer networking events, a volunteer voice forum and procured a volunteer management system to streamline our processes and improve the volunteer experience. Through engagement with our volunteers, staff and leadership, we have developed the first draft of our volunteer strategy ready for launch later in 2024. We have also been able to bring in a dedicated volunteer programme manager to lead a number of strands of the project.

With support from the Heritage Fund, we launched a ground-breaking collections project aimed at diversifying both our volunteer base and community input into our collections management. Data Hunters and Story Gatherers introduced collections documentation as a game, where teams of volunteers compete to score and win the right to choose an end-of-round prize for their cohort. Remote volunteering offered more flexible opportunities for collections and interpretation-based research. As part of the project, we established a community collective advisory panel comprising diverse community members whose role is to guide and inform the development of our exhibition Basingstoke My Home – Local Stories with Global Roots, on display at the Willis Museum in 2024-25, to ensure its relevance and resonance.

Many of the data hunter volunteers had little prior knowledge of collections management, object handling and documentation processes, and they gained valuable, hands-on experience as a result of the project. They received training that allowed them to acquire new skills in collections handling, auditing collection items and using museum collections management software. This provided insight into the important, behind-the-scenes work of caring for and maintaining collections. Several hunters expressed that the project gave them a newfound appreciation for museum collections and inspired some to pursue potential careers in this field. The applied learning experience boosted their confidence and understanding of the museum sector.

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The project enabled gatherer volunteers to develop critical research abilities using archival sources and historical documentation. Many entered with minimal experience in conducting this type of exploration into social histories. Through investigating the theme of immigration to Basingstoke, the gatherers gained skills in locating and evaluating diverse primary and secondary source materials, fostering greater awareness of the importance of inclusively documenting community memories and stories. The gatherers felt the project opened their minds to innovative approaches for making heritage collections engage and resonate with a wider audience.

A new volunteer programme was developed for the first phase of the Rediscovering the Allen Gallery project to complement and work alongside the already strong cohort of venue-based volunteers. New volunteer roles were created for collections research, auditing and documentation, as well as community engagement roles. Different models of volunteering were trialled, including non-venue-based roles, student volunteering and project-based roles. Training was delivered in subjects such as object handling, historical research and label writing.

Through funding from Forces Connect, a new volunteering programme at Aldershot Military Museum was established to look after the historic military vehicle collection. In November 2023, 25 new volunteers were recruited, and they have since carried out condition reports and undertaken research and preparation for the repainting of the vehicles. This project has already seen a positive outcome in the condition of the vehicles and has also provided a meaningful opportunity for local people to be involved with the collections.

Pay and Benefits

We know how important pay and benefits are to our staff and we continued to benchmark our salaries externally in 2023-24 to ensure we are competitive and fair.

Equity, Diversity and Inclusion

We made significant progress towards our equity, diversity and inclusion strategic plan, launching our project team in September with staff from various sites, at different levels and from different functions. The team developed a detailed action plan and made progress in all areas of the strategy. For our people we:

- launched a new suite of family-friendly policies, offering significantly enhanced pay and leave for maternity, adoption and paternity;
- launched Our Approach to Menopause, including the supply of free sanitary products in all venues, guidance and training for all staff and volunteers and a menopause networking group;
- delivered greater gender balance within our mental health first aider group to encourage more men to seek help when they need it; and
- organised an externally delivered Mental Health for Managers programme. Eighteen of our managers took part to upskill them in managing people who have a mental health condition

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Learning and Development

Personal growth is one of the areas our team has asked us to focus on through our regular employee engagement surveys. This year, we made it much easier for our staff to identify opportunities for learning available to them through Our Approach to Learning, which is focused on self-led learning and aligns learning opportunities to our purpose and priorities. We launched a centralised learning booking system, a learning and development group where we share opportunities and a learning and development booklet with pathways for visitor experience, leadership, leading volunteers and volunteering. We also instigated a #lovelearning campaign on our internal communications platform to encourage people to share their learning experiences and role model self-led learning.

The second cohort of our Management Development Programme launched in January, with 12 managers from across the Trust taking part in a six-month learning journey to support them to develop inspirational and values-based leadership styles.

We launched our pilot apprenticeship scheme at Milestones Museum, which will provide us with experience and insight into running a broader programme throughout the Trust in the future.

We continued to deploy Insights Discovery throughout the Trust, which has helped us improve personal and team effectiveness.

Our Supporters

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

Financial Review

Total income for the year of £9,251,219 (2022-23: £8,368,656) shows an 11% increase on 2022-23. This is despite the continuing difficult economic environment. It reflects strong focus on enhancing the revenue generation from our venues, improving yields and adding additional venues, as well as further support from our principal funders. Continued substantial growth in income from charitable activities and trading income are particularly noteworthy.

Costs remained under pressure during the year from high inflation levels and other adverse economic conditions. The Trust has acted promptly to identify and deliver efficiencies and to reduce costs where possible.

Hampshire Cultural Trust Trading Ltd is showing a 16% increase in income and a profit for the year, after management fees charged by the Trust, of £18,678 (2022-23 £70,709). The remaining available taxable profits will be gift aided to the Trust during 2024-25.

The principal source of core funding remains with our founding members, Hampshire County Council and Winchester City Council, contributing 36% to income (34% in 22-23). Other local authority income contributed 4.0%.

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The Trust achieved a consolidated surplus for the year to 31 March 2024 of £191,484 (2023: loss £656,465). The Trust's total reserves at 31 March 2024 were £2,529,949 (2023: £2,338,465).

The closing cash position has increased to £1,570,370 (2023: £1,255,325) reflecting additional one off support received from founding partners to help with short term inflationary pressure.

Unrestricted net assets are £1,241,142 (2023: £851,487), with £906,037 held as net current assets available for immediate use as free cash reserves. Management has taken actions, and with support from our core funders this year have increased the level of free cash reserves in line with the Trust's reserves policy. The Trustees are satisfied, with income committed from core funders, appropriate actions taken to enhance income and manage costs, that our reserves remain sufficient to support activities going forward.

Going Concern

Current activity levels, current NPO status with Arts Council England, and committed funds from our founding local authorities provide reassurance as to the basis of going concern. Management has produced forecasts which demonstrate that with sensible and progressive actions there are adequate reserves to continue to operate for the foreseeable future, and for at least 12 months from the date of this report.

Accordingly, the Trustees consider that the Trust and its trading subsidiary continue to be a going concern.

Reserves Policy

The Trust holds reserves primarily to protect itself from the impact of unexpected variations in income and expenditure. Significant variations in income may arise, for example, from a major incident at the Trust's main income-generating venue, or through delays in receipt of project grants, or a global pandemic, such as that experienced through 2020-21. In addition, an incident such as a fire may result in additional costs being incurred, which the Trust may have to finance from its own funds before any recovery from third parties.

The Trustees have reviewed the Trust's reserves policy. Under the reserves policy:

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

Under this policy, bearing in mind Charity Commission guidance and taking into account continuing challenging economic conditions, the Trustees consider that free cash reserves target should remain

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at £1,000,000 for now. This will be reassessed in 2024-25 in the context of the HCT 2030 strategy and other developments in the Trust's activities.

The Trust is continuing to invest in its portfolio, its infrastructure, and its people. These investments will continue to enhance the revenue generation of the venues and activities of the Trust; to ensure a more diverse and resilient portfolio of funding sources; and to maintain the level of reserves in line with the Trust's reserves policy.

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

Principal Risks and Uncertainties

The Trust continues to develop its framework for risk management. Risk management is focused on identifying significant risks, which are inherent within the Trust's activities, structure, and funding; and mitigating the potential impact of these risks through the Trust's operating and investment programme, management actions, and conventional risk mitigation such as insurance.

2023-24 saw the development of the Risk management policy and a review of the way that the Trustees and leadership team review risks. Two new registers were created in place of the original risk register: the Strategic risk register and the Operational risk register. The new registers and policy were developed with consideration of guidance from the Charity Commission and the Charity Finance Group, with the Strategic risk register focussing on the 5 principal risks facing the organisation. These risks are monitored by the leadership team quarterly and HCT Board annually, as a minimum, with the Finance, Investment and Audit Committee providing quarterly review. The Operational risk register is monitored by the leadership team quarterly and focusses on "business as usual" risks.

The principal areas of risk focus identified by HCT Board for the Strategic risk register are:

1. Financial sustainability
2. Reputation
3. Major stakeholder engagement and relationships
4. Impact delivery
5. Compliance and Governance

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

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

These risks are managed through the implementation of an ambitious programme and robust business planning. Mitigating activities include:

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- activities and projects involving active strategic and operational engagement and partnership-working with local authority representatives at both operational and financial levels;
- continual improvement in operations and financial management, enabling the Trust to deliver its operational programme within approved financial budgets, whilst maintaining the planned level of reserves;
- ongoing development of staff and employment policies to meet current requirements and best practices;
- review of safeguarding policies, DBS checks for all staff involved in regulated, unsupervised activity as highlighted in the safer recruitment policy;
- holding the appropriate level of reserves as detailed in the reserves policy;
- development of the risk framework which includes the development and continuous monitoring of operational risk register; and
- holding appropriate insurance cover including, business interruption, property, employers' liability, professional indemnity, public and products liability, collections, fleet and cyber.

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

Future Plans

We will launch our HCT 2030 strategy in 2024 which outlines our vision to take the organisation forward for the next five years. The heart of the strategy is all about people and places, engaging with the widest number of people and enabling them to experience great culture.

Key strategic priorities for 2024-25 include:

- Enhancing our commercial and fundraising capacity by developing our sales and fundraising teams.
- Boosting revenue in the mid-week by targeting education groups and group travel. With the addition of the Great Hall, we will enhance opportunities to benefit from a stronger multi-venue proposition in Winchester.
- Actively looking for partnerships to strengthen our portfolio for the future whilst continuing investment in our venues.
- Building on the foundations laid in our first year of NPO with the support of Arts Council England, we will continue to build capacity in Hampshire's priority places.
- Delivering high impact programmes and seasonal events that provide a wide range of cultural experiences.
- Pursuing opportunities to decarbonise our estate.

Highlights of our 2024-25 activity include:

The Gallery at the Arc will continue with a self-curated exhibition celebrating the life of a Royal Academician and Hampshire resident in *Rising Splendour: Fred Appleyard* and will then be host when the winners of the Comedy Wildlife Photography Awards 2024 are announced. January 2025 will see

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a further self-curated exhibition, *Hans Coper: Resurface*, where a rare mural by British émigré artist Coper will be on public display for the first time.

Our popular exhibition *Becoming Roman – Silchester a Town of Change*, which we created in partnership with the University of Reading, will tour to the Red House Museum in Christchurch, Andover Museum, Reading Museum and Reading University Library. At the Willis Museum, we will host our first co-produced exhibition as part of our Data Hunters and Story Gatherers project. *Basingstoke's My Home: Local Stories with Global Roots* will explore the history of immigration in the town.

Our community and impact programmes will focus on supporting young people and adults' mental health through cultural engagement, working in partnership with non-cultural organisations such as HMP Winchester, health providers and education settings to support personal development and wellbeing. Through our learning programmes we will create more immersive experiences for schools and colleges to engage with, developing more informal offers for specific groups such as home educated young people and those with additional needs.

Through our work as an ACE NPO, we look forward to supporting local creatives, groups and organisations to grow and develop their work. With the launch of our new B2B website, Culture Connects, we will increase the visibility of the work already happening in each of the ACE priority places where we operate and make it easier to find partners and spaces for programming.

We will seek funding to carry out a feasibility study for the expansion of Milestones Museum into the adjacent green space as part of BDBC's plans for the regeneration of Basingstoke's Leisure Park. We will also develop plans to improve the interpretation of the Winchester Castle area, encompassing both The Great Hall and Westgate Museum. In autumn we will begin a 2.5 year capital redevelopment project of the Allen Gallery in Alton.

In 2024-25, we will continue delivering on our commitment to improvement of the environmental performance of our activities as we work towards net zero by 2030. We will aim to reduce our scope 1 and 2 emissions by 25% on our 2022-23 baseline year, improve our waste and water management, build on progress to preserve and promote biodiversity in our outdoor spaces and work to achieve gold accreditation as a Carbon literate organisation.

The collections team will dedicate a significant amount of its time to ensuring the careful return of historic objects to the central stores following the closure of Westbury Manor Museum, and potentially, of Eastleigh Museum.

We will implement our new volunteer management system, embedding our volunteer voice forum, creating new volunteer packages and running a recruitment campaign to increase diversity. We will also apply for accreditation through Investors in Volunteers.

We will build a plan to deliver a high-performance culture that will include our approach to performance management, recruitment, selection and onboarding, reward and recognition and learning and development.

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Corporate Governance

Structure, governance and management

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

The Trust is governed in accordance with its Articles of Association for a charitable company and the Trustees' liability is limited by guarantee. Directors' indemnity insurance cover is provided for the Trustees.

The Trust has one wholly owned trading subsidiary, Hampshire Cultural Trust Trading Ltd ("the trading company"). The objective of the trading company is to generate income to support the charitable objectives of the Trust. It carries out commercial activities that complement the charitable objectives of the Trust. The trading company will pay an amount equal to its distributable reserves each year to the Trust under the Gift Aid scheme. The relationship between the charity and the trading company is reviewed annually by the Finance, Investment and Audit Committee and the Board of Trustees of Hampshire Cultural Trust ("the HCT Board").

Appointment of Trustees

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

In September 2023, several founding Trustees reached the end of their terms – Rachel Bebb, Yinnon Ezra and Michael Southgate – and upon their retirement the Trust gave thanks to them for their invaluable support and guidance during a key period for the Trust. In anticipation of their retirement and to enable effective succession, at the start of the year, the Trust's Nomination Committee ("the Committee") led a recruitment process which applied learning from the skills audit completed in 2022-23, and four new trustees – Claire Miller, Mark Brett, Karen Chillman and Jim Croxford – were recruited and onboarded. The Committee worked with the Chief Executive and Director of People to identify, interview and recommend candidates for HCT Board's approval, ensuring that there were effective frameworks and processes for appointments, and that plans were in place for succession to both HCT Board and, its sub-committees. 2023-24 also saw the appointment of Emma Back as Vice-Chair of the Trust, following the retirement of Yinnon Ezra.

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

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The onboarding of the new Trustees was structured around an enhanced induction process, with key milestones and the introduction of two in-person half-day sessions which provided an overview of key areas of activity in the Trust and introduced the new Trustees to members of the team. The sessions also allowed the opportunity for troubleshooting, Q&A and discussions around training requirements. As well as the enhanced induction process, the training framework for the Trustees has continued to be developed, with suitable training being identified for Trustee-leads, such as for Safeguarding, which was then supported by an in-house training session on Safeguarding for the wider board in November 2023. The training programme will continue to be developed in 2024-25.

The induction process was led by the Company Secretary, in consultation with the Chair of the HCT Board, Chief Executive and Director of People, and the Nomination Committee is providing oversight of Trustee induction, training and development processes.

Management and decision making

The HCT Board is the strategic decision-making body of the Trust and is responsible for ensuring the organisation's charitable objectives are achieved and its plans are implemented. The Trust is committed to following the Charity Governance Code's principles and recommended best practice, and the Fundraising Regulator's Code of Fundraising Practice.

Day to day management of the Trust and the trading company is delegated to the Chief Executive in accordance with the Trust's Scheme of Delegation, which is reviewed annually by HCT Board.

HCT Board generally meets six times per year to review strategy, operational plans and performance, and to endorse key management decisions. It is helped in its work by Trustee-led standing committees – the Finance, Investment and Audit Committee, HR and Remuneration Committee, the Collections Committee and the Nomination Committee. Each committee's delegated responsibilities are outlined in their terms of reference (approved by the HCT Board and reviewed annually), alongside a review of the committee's performance in the last year.

When exercising any powers or duties to which the guidance is relevant, the Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the commission's public benefit guidance.

Equity, Diversity and Inclusion

The Trust is committed to promoting Equity, Diversity and Inclusion (EDI) and believes that a culture that actively values difference and people from different backgrounds and experiences can bring valuable insights to the workplace, enhance the way the organisation performs, and the way people work.

Following the launch of the EDI Strategy, new policies have been adopted including bullying and harassment, generous family friendly leave and pay, menopause awareness and support and a review of our safer recruitment policy. The recruitment process has been enhanced to limit the risk of bias and a new Licence to Hire, internal accreditation, programme launched. A new EDI e-learning module has been added to the mandatory learning for all staff with a regular refresh cycle.

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Other learning and development delivered includes, menopause awareness, mental first aid training, a mental health for managers programme through PUSH Mind and Body, and a disability awareness programme through Tourettes Hero.

Through generous funding the National Lottery Heritage Fund (NLHF) the Trust started a project to identify how to improve diversity in the volunteer programme. The project seen the launch of the first volunteer satisfaction survey and a volunteer voice forum to ensure our volunteers voices are heard and acted on. The NLHF are also funding a Hunters and Gatherers project, which targets a younger volunteer audience and is focussed on community curation and gamification.

The programme forum has embedded EDI within its framework, ensuring EDI is considered in all the programme rather than becoming a meaningless tick box exercise. A wide range of activities have been delivered during 2023-24 including showcasing female artists in the visual arts and live arts programme, family programming at flagship galleries, decolonising Egypt exhibition, Allen Gallery community co-curation, a community co-created Windrush exhibition and female stories at 878AD. The Trust has also embedded EDI in the venue planning cycle to ensure it is front of mind for venue teams.

Remuneration policies

In examining and awarding executive pay, the Trust uses as benchmarks a variety of data sources including publicly advertised vacancies and disclosed information for similar positions within the sector and region. Recruitment to Leadership Team positions is led by the Chief Executive in consultation with the Chairman, in accordance with the Trust's Scheme of Delegation. The HR and Remuneration Committee oversees the development of employment related policies across the Trust. A review of the Trust's reward, recognition and pay procedures will be undertaken in 2024-25. No members of HCT Board are remunerated for their role as Trustees, nor do they have any beneficial interest in the charity or group. Any Trustee expenses reclaimed from the charity are set out in the notes to the financial statements.

Funds held as custodian Trustee on behalf of others

In accordance with the Trust's governing document, the Management and Funding Agreement with both of our founder local authorities (Hampshire County Council and Winchester City Council), the Trust is the custodian of historic assets and properties on their behalf. These assets are held separately from those of the Trust and are recorded on Modes, a catalogue system.

Any changes to these are detailed in note 25 to the financial statements.

Fundraising standards information

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

Trustees' Report

Fundraising Practice. Our fundraising activity is overseen by the Director of Marketing and Fundraising.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Hampshire Cultural Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the Trustees are aware:

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

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

Hampshire Cultural Trust
Company number: 08986225

Trustees' Report


Auditors

PKF Francis Clark were appointed by the Trust and its subsidiary company during the previous financial year. So far as the Trustees are aware, there is no relevant audit information of which the companies' auditors are unaware. The Trustees have taken all the steps necessary to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

Small Companies Disclosure

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

Approved by the Trustees and signed on their behalf by:



A C Lovell

Chairman

Date: 19 July 2024

Independent Auditor's Report to the Members of Hampshire Cultural Trust

Opinion

We have audited the financial statements of Hampshire Cultural Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024, which comprise Consolidated Statement of Financial Activities, the group and parent charitable company Balance Sheets, the Consolidated Cash Flow Statement and the related notes, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2024 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Hampshire Cultural Trust

Opinion on other matter 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- 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 Statement of Trustees' Responsibilities set out on page 25, the trustees (who are also the directors of the parent charitable company) 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor Responsibilities for the audit of the financial statements

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

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

Independent Auditor's Report to the Members of Hampshire Cultural Trust

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to Hampshire Cultural Trust, was gained through appropriate audit engagement team selection (ensuring competence and capability to recognise non-compliance) and discussions with management. This covered any knowledge or evidence of actual and potential fraud, litigation and claims, which was followed up with corroborative audit review work. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the group and parent charitable company's ability to continue trading and the risk of material misstatement to the accounts. Based on our understanding of the group and parent charitable company, we identified that the principal risks of non-compliance with laws and regulations. We considered the extent to which non-compliance with these laws and regulations may have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as The Companies Act 2006, Charities Act 2011 and relevant tax legislation.

We also discussed with management to what extent the business is exposed to fraud – either inherently because of nature of operations, assets or because of weaknesses in internal controls. From these discussions we have evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. The key incentive identified is to improve the position of the group and parent charitable company to potential funders and we determined that the principal risks were related to the overstatement of surpluses, either through overstating revenue, understating expenditure or management bias in accounting estimates.

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to be come aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

Based on this understanding we designed our audit procedures to identify non-compliance with relevant laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances of fraud, of which there were none.
- Reviewed legal and professional costs to identify any possible non compliance.
- Reviewed minutes of meetings of those charged with governance.

In response to the identified risk, as part of our audit work we:

- We sampled sales from outside the accounting system to ensure they are complete in the accounts. We performed cut off to ensure revenue recognition has been applied correctly.
- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Hampshire Cultural Trust
Company number: 08986225

Independent Auditor's Report to the Members of Hampshire Cultural Trust

Use of our report

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



Paul Giessler FCA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Hitchcock House
Hilltop Park
Devizes Road
Salisbury
Wiltshire
SP3 4UF
2 August 2024

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

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Income from:							
Grants and donations	2	4,250,865	931,199	5,182,064	3,358,651	1,593,820	4,952,471
Income from charitable activities	3	1,987,035	794	1,987,829	1,644,157	9,251	1,653,408
Income from other trading activities:							
- income of trading company	4	1,399,106	-	1,399,106	1,204,194	-	1,204,194
Investment income	5	15,786	-	15,786	8,687	-	8,687
Other income	6	657,588	8,846	666,434	538,056	11,840	549,896
Total income		<u>8,310,380</u>	<u>940,839</u>	<u>9,251,219</u>	<u>6,753,745</u>	<u>1,614,911</u>	<u>8,368,656</u>
Expenditure on:							
Cost of raising funds:							
Fundraising and publicity	7	294,511	952	295,463	251,055	10,431	261,486
Expenses of trading company	4	1,380,428	-	1,380,428	1,133,485	-	1,133,485
Expenditure on charitable activities	8	6,245,786	1,138,058	7,383,844	6,257,184	1,373,474	7,630,658
Total expenditure		<u>7,920,725</u>	<u>1,139,010</u>	<u>9,059,735</u>	<u>7,641,724</u>	<u>1,383,905</u>	<u>9,025,629</u>
Net income / (expenditure)		<u>389,655</u>	<u>(198,171)</u>	<u>191,484</u>	<u>(887,979)</u>	<u>231,006</u>	<u>(656,973)</u>
Transfer between funds							
Net movement in funds		<u>389,655</u>	<u>(198,171)</u>	<u>191,484</u>	<u>(887,979)</u>	<u>231,006</u>	<u>(656,973)</u>
Reconciliation of funds:							
Total funds brought forward		<u>851,487</u>	<u>1,486,978</u>	<u>2,338,465</u>	<u>1,739,466</u>	<u>1,255,972</u>	<u>2,995,438</u>
Total funds carried forward		<u>1,241,142</u>	<u>1,288,808</u>	<u>2,529,949</u>	<u>851,487</u>	<u>1,486,978</u>	<u>2,338,465</u>

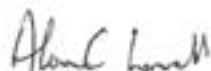
All transactions are derived from continuing activities.

Consolidated Balance Sheet
as at 31 March 2024

	Notes	£	2024 £	£	2023 £
Fixed assets					
Intangible assets	11		-		2
Tangible assets	12		<u>525,607</u>		<u>764,887</u>
			525,607		764,889
Current assets					
Stock	14	167,714		149,413	
Debtors	15	1,313,030		1,291,506	
Cash at bank and in hand		<u>1,570,370</u>		<u>1,255,325</u>	
		3,051,114		2,696,244	
Creditors: amounts falling due within one year	16	<u>(1,046,772)</u>		<u>(1,122,668)</u>	
Net current assets			<u>2,004,342</u>		<u>1,573,576</u>
Net assets	18		<u>2,529,949</u>		<u>2,338,465</u>
Funds					
General unrestricted funds	18		1,241,142		851,487
Restricted funds	18		<u>1,288,808</u>		<u>1,486,978</u>
Total funds			<u>2,529,949</u>		<u>2,338,465</u>

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

The financial statements were approved by the board on 19 July 2024 and signed on its behalf by:



AC Lovell
On behalf of the board of trustees

Trust Balance Sheet
as at 31 March 2024

	Notes	£	2024 £	£	2023 £
Fixed assets					
Intangible assets	11		-		2
Tangible assets	12		458,796		696,729
Investments	13		<u>1,000</u>		<u>1,000</u>
			459,796		697,731
Current assets					
Debtors	15	1,693,850		1,323,567	
Cash at bank and in hand		<u>1,221,192</u>		<u>1,249,559</u>	
		2,915,042		2,573,126	
Creditors: amounts falling due within one year	16	<u>(878,722)</u>		<u>(1,011,717)</u>	
Net current assets			<u>2,036,320</u>		<u>1,561,409</u>
Net assets	18		<u>2,496,116</u>		<u>2,259,140</u>
Funds					
General unrestricted funds	18		1,207,308		772,162
Restricted funds	18		<u>1,288,808</u>		<u>1,486,978</u>
Total funds			<u>2,496,116</u>		<u>2,259,140</u>

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

The company has taken the exemption in section 408 of the Companies Act 2006 and has not presented its individual statement of financial activities. The company's surplus/(deficit) for the financial year was £236,976 (2023 - £(399,883)).

The financial statements were approved by the board on 19 July 2024 and signed on its behalf by:



AC Lovell

On behalf of the board of trustees

Hampshire Cultural Trust
Company number: 08986225

Consolidated cashflow statement
for the year ended 31 March 2024

	Notes	Group 2024 £	Group 2023 £
Cash flows from operating activities:			
Net cashflow from operating activities		316,609	38,585
Cash flows from investing activities			
Bank interest received		15,786	8,687
Purchase of fixed assets		<u>(17,350)</u>	<u>(658,484)</u>
Cash used in investing activities		<u>(1,564)</u>	<u>(649,797)</u>
Increase/(decrease) in cash and cash equivalents in the year		<u>315,045</u>	<u>(611,212)</u>
Cash and cash equivalents at the beginning of the year		<u>1,255,325</u>	<u>1,866,537</u>
Total cash and cash equivalents at the end of the year		<u>1,570,370</u>	<u>1,255,325</u>

Reconciliation of Changes in Net (Expenditure/Income to Net Cashflow From Operating Activities)

Net income/(expenditure) for the year		191,484	(656,973)
Depreciation	12	256,630	207,228
Loss on disposal of intangible asset	11	2	
Investment income and interest received	5	(15,786)	(8,687)
(Increase)/decrease in stock	14	(18,301)	(19,207)
(Increase)/decrease in debtors	15	(21,524)	239,798
Increase/(decrease) in creditors	16	<u>(75,896)</u>	<u>276,426</u>
Net cashflow from operating activities		<u>316,609</u>	<u>38,585</u>

Notes to the financial statements
for the year ended 31 March 2024

1 Accounting policies

1.1 Charity information

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

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

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

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 1st January 2019, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019.

Consolidated financial statements have been prepared in respect of the charitable company and its wholly owned subsidiary, Hampshire Cultural Trust Trading Ltd. The Consolidated Statement of Financial Activities includes the results of Hampshire Cultural Trust Trading Ltd as single line items. The results of the subsidiary are included in note 4. The consolidated balance sheet includes the net assets of Hampshire Cultural Trust Trading Ltd on a line by line basis.

1.3 Income

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

If a grant or donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the charity's control and it is probable those conditions will be met in the accounting period. Grant/donation income is also deferred if the donor specifies that the grant or donation can only be used in a future accounting period.

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

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

Income from the sale of tickets for courses and tuition, performances and events are recognised in the period in which the event occurs.

Notes to the financial statements
for the year ended 31 March 2024

Admissions income is recognised in the period in which the initial visit occurs.

Income from lettings and room hire is recognised at the point services are provided to the customer.

1.4 Expenditure

Expenditure is recognised on an accruals basis, as a liability is incurred. Expenditure is recognised when there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes any VAT which is not fully recoverable.

1.5 Basis of allocation

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

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

1.6 Tangible fixed assets

Assets are initially included at acquisition cost, including costs directly attributable to bringing the asset into operating condition for its intended use. Individual assets costing £5,000 or more are capitalised. At each reporting date, the charity assesses whether there is any indication of impairment, after taking into account accumulated depreciation. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is provided on a straight line basis, at the following annual rates in order to write off each asset over its estimated useful life. Depreciation is not provided on assets in the course of construction until the asset is available for use in the business.

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

A proportionate amount of depreciation is charged in the year of acquisition.

The Trust occupies a number of mainly historic buildings provided by HCC/WCC at a peppercorn rent. The Trust acts as custodian of these premises, which are occupied for the purposes of operating museums and/or maintaining the Council-owned collections, under the terms of the Trust's arrangements with the Councils. The nature and purpose of the buildings are such that any donated value cannot be measured reliably and it is not appropriate to record any value in the financial statements for donations in kind or related rental expense.

Notes to the financial statements
for the year ended 31 March 2024

1.7 Stock

Stock relates to items held for resale and is valued at the lower of cost and net realisable value, after making allowance for obsolete or slow-moving items.

1.8 Funds

General funds are unrestricted and are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and have not been designated for other purposes. Designated funds are determined by the trustees as being unrestricted funds held for specific purposes, and are committed to future spend as agreed at board level.

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

Restricted funds for the purchase of fixed assets are credited to restricted income when receivable. Depreciation on the fixed assets purchased with such grants is charged against either the related restricted fund or against the capital depreciation reserve, where the related project has been completed.

1.9 Leased assets

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

1.10 Financial instruments

The Trust's financial assets and liabilities consist only of basic financial instruments, including cash and cash equivalents, short term investments, trade and other debtors, trade and other creditors and accrued expenses. They are initially recognised at transaction price or value, including transaction costs, and are subsequently measured at their settlement value. The fair value of these items approximate their carrying value due to their short term value. Financial assets are assessed for indicators of impairment at each reporting date. Unless otherwise noted, the Trust is not exposed to significant interest, foreign exchange or credit risk arising from these instruments.

1.11 Termination benefits

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

1.12 Pension costs

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

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

Notes to the financial statements
for the year ended 31 March 2024

The Commercial Transfer Agreements (CTA) between Hampshire County Council, Winchester City Council and Hampshire Cultural Trust state that the Councils shall remain liable for any deficit in the fund in respect of benefits accrued up to the transfer date of 1 November 2014.

The Trust is responsible for paying all contributions due to the scheme in respect of the Eligible Employees, and any other sum due to the scheme in respect of the Eligible Employees, including any deficit arising in respect of the benefits accrued by them while employed by the Trust. However, according to the CTAs, the Councils shall fund or reimburse the Trust through a pass through arrangement, for any contributions made and deficits paid by the Trust which relate to the Council's liability period of 25 years from the date of transfer on November 2014, or earlier if Council funding ceases, unless contributions or other payments result from matters within the control, influence or responsibility of the Trust.

At the point this pass-through arrangement ends, the Councils will ensure that any liabilities of the fund are fully funded.

1.13 Judgements and key sources of estimation uncertainty

Tangible fixed assets are depreciated over their useful lives, taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into consideration. Residual value assessments consider issues such as future market conditions the remaining life of the asset and projected disposal values. The carrying amount is £525,607 (2023: £764,887).

Grant income is recognised when the Trust is entitled to the income. In some cases, this requires judgement based on available information related to the grant award and the application for the grant as to when entitlement arises. This may be on issue of the award letter, but in other cases income recognition may be deferred until a pre-determined budget period, until other conditions not necessarily in the Trust's control are met or until various performance criteria are achieved. Of total grant income awarded in the year, no income has been deferred at 31 March 2024 (2023: £nil.) Accrued Grant Income of £746,458 (2023: £574,518) is included in the balance sheet at 31 March 2024.

The Trustees consider, apart from the above items and going concern referred to below, that there are no other material areas of judgement or estimation uncertainty.

Notes to the financial statements
for the year ended 31 March 2024

1.14 Going concern

The Trustees adopt the going concern basis in preparing the Report of the Trustees and financial statements. This is based on the reasonable expectation, based on current financial performance, forecasts and projections, committed funding from core funders and ongoing negotiations with those funders, and taking into account reasonably foreseeable changes in income and expenditure, that the charitable company has adequate resources to continue to operate for the foreseeable future.

Management has produced forecasts which demonstrate that with sensible and progressive actions there are adequate reserves to continue to operate for the foreseeable future, and for at least 12 months from the date of this report. The estimates and assumptions used are based on historical experience, contractually committed income and changes expected based on negotiations with key funders.

1.15 Investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Notes to the financial statements
for the year ended 31 March 2024

2 Grants and donations

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

	Unrestricted funds	Restricted funds	2024 Total	Unrestricted funds	Restricted funds	2023 Total
	£	£	£	£	£	£
Hampshire County Council (HCC)	2,912,070		2,912,070	2,502,480		2,502,480
Winchester City Council (WCC)	379,444		379,444	298,144	75,000	373,144
	<u>3,291,514</u>	<u>-</u>	<u>3,291,514</u>	<u>2,800,624</u>	<u>75,000</u>	<u>2,875,624</u>
Other Local Authority grants:						
Basingstoke and Deane Borough Council	183,600		183,600	183,600		183,600
Gosport Borough Council	60,000		60,000	60,000		60,000
Eastleigh Borough Council	-		-	14,480		14,480
Bournemouth, Christchurch and Poole Council	100,000		100,000	100,000		100,000
Rushmoor Borough Council	38,301		38,301	44,224		44,224
New Forest District Council	10,000		10,000	15,000		15,000
Bursledon Parish Council	3,828		3,828	1,000		1,000
	<u>395,529</u>	<u>-</u>	<u>395,529</u>	<u>418,304</u>	<u>-</u>	<u>418,304</u>
Other grants:						
Arts Council Funding - National Portfolio						
Organisation Investment Programme funded by National Lottery revenue	500,000		500,000	-		-
Arts Council England		74,800	74,800		227,300	227,300
National Lottery Heritage Fund		526,649	526,649		558,724	558,724
The Engert Watford Motor Museum			-		200,000	200,000
Basingstoke and Deane Borough Council		32,710	32,710			-
Changing Places			-		40,000	40,000
Hampshire County Council - Wessex Dance Academy		95,474	95,474	64,985		64,985
Royal Pavilion and Museums Trust		95,588	95,588		75,282	75,282
Gosport Borough Council		70,000	70,000		103,514	103,514
Garfield Weston Foundation			-		75,000	75,000
British Museum - Portable Antiquities Scheme		28,555	28,555		17,754	17,754
Hampshire County Council - Hampshire Archives		73,508	73,508		58,267	58,267
Sydey Foundation		10,000	10,000		25,000	25,000
Other grants (less than £25,000)	2,870	107,459	110,329	17,045	31,671	48,716
	<u>502,870</u>	<u>914,748</u>	<u>1,417,618</u>	<u>82,030</u>	<u>1,413,512</u>	<u>1,495,542</u>
Total grants	<u>4,189,913</u>	<u>914,748</u>	<u>5,104,661</u>	<u>3,300,958</u>	<u>1,488,512</u>	<u>4,789,470</u>
	Unrestricted funds	Restricted funds	2024 Total	Unrestricted funds	Restricted funds	2023 Total
	£	£	£	£	£	£
Donations						
Donations (£25,000 and below)	32,712	16,456	49,168	9,569	105,308	114,877
Regular donations	28,240		28,240	48,124		48,124
Total donations	<u>60,952</u>	<u>16,456</u>	<u>77,408</u>	<u>57,693</u>	<u>105,308</u>	<u>163,001</u>
Total grants and donations	<u>4,250,865</u>	<u>931,199</u>	<u>5,182,064</u>	<u>3,358,651</u>	<u>1,593,820</u>	<u>4,952,471</u>

3 Income from charitable activities

	Unrestricted funds	Restricted funds	2024 Total	Unrestricted funds	Restricted funds	2023 Total
	£	£	£	£	£	£
Admissions	1,365,536	-	1,365,536	1,141,066	-	1,141,066
Workshops and classes	231,099	794	231,893	164,780	9,251	174,031
Box office	390,400	-	390,400	338,311	-	338,311
	<u>1,987,035</u>	<u>794</u>	<u>1,987,829</u>	<u>1,644,157</u>	<u>9,251</u>	<u>1,653,408</u>

Notes to the financial statements
for the year ended 31 March 2024

4 Income and expenditure from trading activities of subsidiaries

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

The trading company transfers its taxable profits to the Trust by way of Gift Aid. A summary of its trading results for the year ended 31 March 2024 is shown below. Financial statements have been filed with Companies House.

	2024 £	2023 £
TURNOVER	1,399,106	1,204,194
Cost of sales	559,459	491,441
GROSS PROFIT	<u>839,647</u>	<u>712,753</u>
Administrative expenses	825,355	642,044
Other operating income	-	-
Operating profit and profit before taxation	<u>14,292</u>	<u>70,709</u>
Tax on profit	4,386	-
Profit for the financial year	<u>18,678</u>	<u>70,709</u>
Retained Earnings		
At 1 April 2023	79,318	336,413
Profit for the year	18,678	70,709
Gift aid	(64,161)	(327,804)
At 31 March 2024	<u>33,835</u>	<u>79,318</u>
Balance sheet		
Assets	624,087	234,548
Liabilities	(589,252)	(154,230)
Net assets	<u>34,835</u>	<u>80,318</u>
Called up ordinary share capital	1,000	1,000
Profit and loss account	33,835	79,318
Capital and reserves	<u>34,835</u>	<u>80,318</u>
5 Investment income		
	2024 £	2023 £
Investment income	<u>15,786</u>	<u>8,667</u>

All investment income in both 2024 and 2023 is unrestricted.

Notes to the financial statements
for the year ended 31 March 2024

6 Other income

	2024	2023
	£	£
Collections and conservation income	1,955	1,300
Trails	38,339	24,682
Events and hire	201,711	165,279
Gift Aid and other tax reliefs	393,597	327,560
Other	30,832	31,066
	<u>666,434</u>	<u>549,896</u>

Included in Other is £8,845 which relates to restricted income. £11,840 of other income in 2023 was restricted.

7 Fundraising and publicity

	Unrestricted funds	Restricted funds	2024 Total	Unrestricted funds	Restricted funds	2023 Total
	£	£	£	£	£	£
	<u>294,511</u>	<u>952</u>	<u>295,463</u>	<u>251,055</u>	<u>10,431</u>	<u>261,486</u>

Fundraising and publicity costs include the cost of marketing the programme of events across the venues.

8 Costs of charitable activities

	Unrestricted funds	Restricted funds	2024 Total	Unrestricted funds	Restricted funds	2023 Total
	£	£	£	£	£	£
Public programmes	132,601		132,601	167,799		167,799
Collections	466,119		466,119	510,879		510,879
Venues	3,975,785		3,975,785	4,072,182		4,072,182
Business development	1,551,138		1,551,138	1,458,542		1,458,542
Projects	120,144	1,138,058	1,258,201	47,782	1,373,474	1,421,256
	<u>6,245,786</u>	<u>1,138,058</u>	<u>7,383,844</u>	<u>6,257,184</u>	<u>1,373,474</u>	<u>7,630,658</u>

Business Development includes the costs of central functions such as marketing, finance, HR and IT, in addition to the leadership team. Governance costs, £119,565 (2023, £74,758) are included in Business Development.

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

9 Auditors' remuneration

	2024	2023
	£	£
Audit fees - Trust	<u>26,000</u>	<u>24,750</u>
Audit fees - Trading subsidiary	<u>9,000</u>	<u>5,750</u>

In addition, fees for other services provided by the auditors amounted to £1,838 (2023 £3,150), which include advice on various matters and other compliance related services.

Notes to the financial statements
for the year ended 31 March 2024

10 Employees

	2024	2023
	£	£
Employment costs		
Wages and salaries	4,475,826	4,412,116
Redundancy payments	28,623	128,568
Social security costs	376,392	379,789
Pension costs	373,882	387,373
	<u>5,254,723</u>	<u>5,307,846</u>

Key management personnel

Employee benefits received by key management personnel during the year totalled £661,950 (2023: £658,242).

The leadership team includes the Chief Executive, Director of Finance, Director of People, Director of Marketing and Fundraising, Director of Programming, Director of Heritage and Attractions, Director of Community and Impact, Director of Arts and Culture.

Higher paid employees

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

	2024	2023
£60,001 to £70,000	2	3
£70,001 to £80,000	1	1
£80,001 to £90,000	-	-
£90,001 to £100,000	-	-
£100,001 to £110,000	-	-
£110,001 to £120,000	-	1
£120,000 to £130,000	<u>1</u>	<u>-</u>

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

Employer contributions to a defined contribution scheme for employees who earned over £60,000 was £19,327 (2022: £24,135).

Number of employees

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

2024	2023
<u>264</u>	<u>259</u>

It should be noted that the employee numbers stated are a simple headcount, and not FTE. The Trust employs a considerable number of part-time and casual hours workers which affects the headcount.

Trustees' Remuneration

No Trustees received any remuneration or benefits for their service during the year (2023: £nil)

There was no remittance to Trustees in the year for any services to the Trust (2023: £100)

No travel expenses were incurred by Trustees in the year (2023: £54). Small gifts in recognition of length and quality of service were given to 5 retiring founder Trustees during the year, in aggregate costing £750.

Notes to the financial statements
for the year ended 31 March 2024

11 Intangible fixed assets

	2024	2023
	£	£
Cost at 1 April and 31 March	<u>0</u>	<u>2</u>

12 Tangible fixed assets

<u>Group</u>	Plant & machinery	Computer equipment	Fixtures & fittings	Leasehold improvements	Total
	£	£	£	£	£
Cost					
At 1 April 2023	55,446	61,470	1,041,718	166,862	1,325,496
Additions	17,350	-	-	-	17,350
Disposals	-	-	-	-	-
At 31 March 2024	<u>72,796</u>	<u>61,470</u>	<u>1,041,718</u>	<u>166,862</u>	<u>1,342,846</u>
Depreciation					
At 1 April 2023	83,388	58,100	403,306	65,815	560,609
Charge for the year	11,413	3,369	225,162	16,686	256,630
At 31 March 2024	<u>44,801</u>	<u>61,469</u>	<u>628,468</u>	<u>82,501</u>	<u>817,239</u>
Net book value					
At 31 March 2024	<u>27,995</u>	<u>1</u>	<u>413,250</u>	<u>84,361</u>	<u>525,607</u>
At 31 March 2023	<u>22,057</u>	<u>3,370</u>	<u>638,412</u>	<u>101,047</u>	<u>764,887</u>
 <u>Trust</u>					
Cost					
At 1 April 2023	16,592	59,881	998,855	84,451	1,159,779
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2024	<u>16,592</u>	<u>59,881</u>	<u>998,855</u>	<u>84,451</u>	<u>1,159,779</u>
Depreciation					
At 1 April 2023	8,778	56,511	364,910	32,851	463,050
Charge for the year	2,232	3,369	223,887	8,445	237,933
At 31 March 2024	<u>11,010</u>	<u>59,880</u>	<u>588,797</u>	<u>41,296</u>	<u>700,983</u>
Net book value					
At 31 March 2024	<u>5,582</u>	<u>1</u>	<u>410,058</u>	<u>43,155</u>	<u>458,796</u>
At 31 March 2023	<u>7,814</u>	<u>3,370</u>	<u>633,945</u>	<u>51,600</u>	<u>696,729</u>

13 Fixed asset investments

<u>Trust</u>	Total £
Cost at 1 April 2023 and 31 March 2024	<u>1,000</u>

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

Notes to the financial statements
for the year ended 31 March 2024

14 Stock	Trust	2024 Group	Trust	2023 Group
	£	£	£	£
Goods for resale	-	167,714	-	149,413
15 Debtors				
	Trust	2024 Group	Trust	2023 Group
	£	£	£	£
Amounts due within 1 year:				
Trade debtors	103,090	138,429	87,768	90,287
Prepayments and accrued income	1,101,884	1,101,884	1,158,288	1,158,288
Other debtors	87,054	72,717	39,117	42,591
Intercompany account	401,822	-	38,394	-
	<u>1,693,850</u>	<u>1,313,030</u>	<u>1,323,567</u>	<u>1,291,506</u>
16 Creditors (amounts falling due within one year)				
	Trust	2024 Group	Trust	2023 Group
	£	£	£	£
Trade creditors	251,873	288,860	187,133	213,359
Tax and social security	90,783	130,515	43,127	109,030
Other creditors	48,380	51,545	339,634	347,045
Deferred income	170,897	208,244	133,907	133,907
Accruals	316,789	367,608	307,916	319,327
	<u>878,722</u>	<u>1,046,772</u>	<u>1,011,717</u>	<u>1,122,668</u>
17 Deferred income reconciliation				
	Trust	2024 Group	Trust	2023 Group
	£	£	£	£
	133,907	133,907	88,706	88,706
Amount released to the SoFA	(133,907)	(133,907)	(88,706)	(88,706)
Amount deferred in the year	170,897	208,244	133,907	133,907
Balance carried forward	<u>170,897</u>	<u>208,244</u>	<u>133,907</u>	<u>133,907</u>

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

Notes to the financial statements
for the year ended 31 March 2024

18 Analysis of net assets between funds

Group

Fund balances at 31 March are represented by:

	Unrestricted funds	Restricted funds	2024 Total	Unrestricted funds	Restricted funds	2023 Total
	£	£	£	£	£	£
Intangible fixed assets	-	-	-	2	-	2
Tangible fixed assets	335,325	190,502	525,827	473,216	291,671	764,887
Current assets	1,952,808	1,098,306	3,051,114	1,500,937	1,195,307	2,696,244
Current liabilities	(1,046,772)	-	(1,046,772)	(1,122,668)	-	(1,122,668)
	<u>1,241,341</u>	<u>1,288,808</u>	<u>2,529,949</u>	<u>851,487</u>	<u>1,486,978</u>	<u>2,338,465</u>

Trust

Fund balances at 31 March are represented by:

	Unrestricted funds	Restricted funds	2024 Total	Unrestricted funds	Restricted funds	2023 Total
	£	£	£	£	£	£
Intangible fixed assets	-	-	-	2	-	2
Tangible fixed assets	268,294	190,502	458,796	405,068	291,671	696,729
Investment assets	1,000	-	1,000	1,000	-	1,000
Current assets	1,816,736	1,098,306	2,915,042	1,377,819	1,195,307	2,573,126
Current liabilities	(878,722)	-	(878,722)	(1,011,717)	-	(1,011,717)
	<u>1,207,308</u>	<u>1,288,808</u>	<u>2,496,116</u>	<u>772,162</u>	<u>1,486,978</u>	<u>2,259,140</u>

Notes to the financial statements
for the year ended 31 March 2024

19	Funds				
Restricted Funds	Funder	01-Apr-23	Incoming YTD	Outgoing YTD	Fixed Asset Transfers
Arts Council England					31-Mar-24
	Arts Council England - DFE Museums and schools	29,258	64,800	62,263	31,795
	Arts Council England - via Royal Pavilion & Museums Trust	10,591	95,588	91,897	14,782
	Arts Council England - Outdoor Arts	2,228		1,000	1,228
	Arts Council England - Anglo-Saxon Winchester	39		(16,654)	16,653
	Arts Council England - Rushmore Cultural Development	25,879		6,244	19,729
	Arts Council England - Gosport Cultural Development	35,157	35,000	41,402	48,665
	Arts Council England via HCC - WDC redevelopment	16,455		16,456	-
	Arts Council England - Keynotes	29,007		1,313	27,694
National Heritage Lottery Fund					
	National Heritage Lottery Fund - Still Curious	11,374	(5,253)	5,868	253
	National Heritage Lottery Fund - ICE	49,618	10,660	55,898	4,381
	National Heritage Lottery Fund - Forest Arts	2,657	6,492	4,198	4,951
	National Heritage Lottery Fund - Volunteering Project	25,000		25,000	-
	National Heritage Lottery Fund - Volunteering Project 2		75,000	24,551	50,449
	National Heritage Lottery Fund - Allen Development	214,667		203,277	11,389
	National Heritage Lottery Fund - Hunters and Gatherers	249,132		49,537	193,595
	National Heritage Lottery Fund - Gosport Heritage-led Re-generation and Succession Project GHRASP		261,992	11,221	250,771
Other Grant Funding					
	Paul Hamlyn Foundation	40,497		30,355	10,142
	The Engart Watford Motor Museum	200,000		32,489	167,511
	Hampshire County Council - Wessex Dance Academy	-	96,130	96,130	-
	British Museum - Portable Antiquities Scheme	2,947	29,637	30,134	2,471
	Emergency Exit Arts	37,300		21,940	15,360
	Historic England via Gosport Borough Council - Cultural Consortium	68,653		41,034	27,620
	Hampshire County Council - Hampshire Achieves	6,601	75,897	75,888	6,610
	Other grant funding (below £25,001)	70,416	156,209	99,080	127,545
Donations					
	Donations below £25,001	67,937	18,667	27,702	58,922
Assets					
	Capital Depreciation Reserve	291,671		101,168	190,502
	Total	1,486,978	940,839	1,239,050	-

The capital depreciation reserve represents restricted grants received to finance capital expenditure. The grants have been recognised as restricted income in the Statement of Financial Activities, but the cost of the assets has been capitalised rather than recognised as expenditure. The reserve is reduced each year by an amount equivalent to the depreciation charged on these assets.

Restricted Funds

Restricted Funds	Funder	Restated 1-Apr-22	Incoming YTD	Outgoing YTD	Fixed Asset Transfers	31-Mar-23
Arts Council England	Arts Council England - DFE Museums and Schools	29,253	64,800	64,805		29,258
	Arts Council England - Connecting Conversations	3,647		3,647		-
	Arts Council England - via Royal Pavilion & Museums Trust	563	75,282	65,255		10,591
	Arts Council England - Outdoor Arts	2,228				2,228
	Arts Council England - Gosport Redevelopment	10,000		10,000		-
	Arts Council England - Anglo-Saxon Winchester	50,846		20,562	(30,264)	20
	Arts Council England - Rushmoor Cultural Development	-	45,000	19,027		25,973
	Arts Council England - Gosport Cultural Development	-	45,000	9,842		35,157
	Arts Council England - CPD Sustainability Grant	209,647		209,647		-
	Arts Council England via HCC - WDC redevelopment	(37,833)	42,500	(15,158)	(3,369)	16,455
	Arts Council England - Keynotes	-	30,000	993		29,007
National Heritage Lottery Fund	National Heritage Lottery Fund - Still Curious	11,373				11,373
	National Heritage Lottery Fund - ICE	90,786		41,167		49,618
	National Heritage Lottery Fund - Forest Arts	2,657				2,657
	National Heritage Lottery Fund - Volunteering Project	-	25,000			25,000
	National Heritage Lottery Fund - Allen Development	-	285,391	70,925		214,467
	National Heritage Lottery Fund - Industrious Minds	28,299		28,299		-
	National Heritage Lottery Fund - Hunters and Gatherers		249,132			249,132
Other Grant Funding	The Engert Watford Motor Museum	-	200,000			200,000
	Garfield Weston Foundation	-	75,000	75,000		-
	Gosport Borough Council - Cultural Development - Arts in the Park	-	67,500	67,500		-
	Hampshire County Council - Hampshire Achieves	18,994	58,267	70,659		6,601
	Changing Places Grant	-	40,000	40,000		-
	Winchester City Council	-	75,000	75,000		-
	Syler Foundation	-	25,000	25,000		-
	Paul Hamlyn Foundation	34,818		44,222		40,497
	Gosport Borough Council	231,193		100,671	(133,388)	(2,668)
	HCC SYBAD Grant	75,000		-	(75,000)	-
	Emergency Exit Arts	37,900		600		37,300
	Historic England via Gosport Borough Council - Cultural Consortium	103,343	3,000	37,690		68,653
	Other grant funding (below £25,001)	219,476	90,994	188,749	(45,693)	76,027
Donations	Donations below £25,001	83,552	117,845	129,500	(3,960)	67,937
Assets	Capital Depreciation Reserve	-			291,671	291,671
	Total	1,255,972	1,614,911	1,383,905	-	1,486,978

Notes to the financial statements
for the year ended 31 March 2024

Finder	Project	Details
Arts Council England - DFE Museums and schools Arts Council England - via Royal Pavilion & Museums Trust Arts Council England - Outdoor Arts Arts Council England - Anglo-Saxon Winchester	Reaching Out! SEMDP Outdoor Art Anglo Saxon Exhibition	Project working with North Hampshire schools to increase museum engagement South East Museum Development Programme 3 pilot projects to catalyse new relationships between communities and artists Development of new Anglo Saxon attraction in Winchester
Arts Council England - Rushmore Cultural Development Arts Council England - Gosport Cultural Development Arts Council England via HCC - WDC redevelopment Arts Council England - Keynotes	Rushmore Cultural Development Gosport Cultural Development WDC Redevelopment Keynotes project	Pilot for Cultural Development Manager and arts projects to progress cultural strategy Pilot of three roles development roles to progress cultural strategy with GBC Support received to support the redevelopment of the Arts Winchester Grass roots music programme at the Arts Centre
National Heritage Lottery Fund - Still Curious National Heritage Lottery Fund - ICE National Heritage Lottery Fund - Forest Arts National Heritage Lottery Fund - Volunteering Project National Heritage Lottery Fund - Volunteering Project 2 National Heritage Lottery Fund - Allen Development National Heritage Lottery Fund - Hunters and Gatherers National Heritage Lottery Fund - GHRASP	Still Curious ICE Heritage Forest Arts Volunteering Innovation Project Volunteering Innovation Project Test Phase Allen Gallery Development Hunters and Gatherers Gosport Heritage-led Regeneration and Succession Project	NLF funded dementia friendly heritage programme at Red House Museum Arts intervention programme working in partnership with Hampshire CAMHS NLF funded programme at Forest Arts Centre Participation in Heritage Innovation Fund to develop a new volunteering strategy Participation in Heritage Innovation Fund to develop a new volunteering strategy Funding programme for the development phase of the Allen Gallery redevelopment An audit and research, collections based project funded by NLF A project supporting the cultural strategy in Gosport through community engagement in regeneration activity
Paul Hamlyn Foundation The Engert Watford Motor Museum	Horizon 20:20 Historic Vehicle Collection	Paul Hamlyn funded programme working with 7 Education Centres across Hampshire Funding to support the repair of 3 historic vehicles and enhance the Trusts public programme
Hampshire County Council British Museum Emergency Salt Arts Historic England via Gosport Borough Council Hampshire County Council	Wynne Dance Academy Portable Antiquities Scheme H1 Street Fest Gosport Cultural Consortium Hampshire Achieves	Grant for provision of dance artists Identification and recording of metal detecting finds made in Hampshire Funding for delivery of H1 Street Fest on behalf of Historic England 3 year cultural programme, funding on behalf of Historic England as part of HSHAZ Programme of courses for adults with mental health issues

Notes to the financial statements
for the year ended 31 March 2024

20 Commitments

Neither the Trust nor the Group had any capital commitments at 31 March 2024 (2023: nil).

21 Operating leases

The Trust has operating lease commitments in respect of the properties it manages and operates from, and also in respect of vehicles which it operates.

The museums and arts centres, and also the central office spaces are leased from the founding members and other local authorities, as agreed in the Management Funding Agreement. The lease terms are for 35 years and a peppercorn rent is payable. There are 26 years remaining at the balance sheet date.

There are future commitments of £19,536 at the balance sheet date, relating to the remainder of two vehicle lease agreements.

In 2022/23 the Trust took on an additional lease, 5 years with a 2 year break clause, for 878 AD, The Brooks Shopping Centre, Winchester

22 Related party transactions

Grant funding received from Hampshire County Council and Winchester City Council has been detailed in note 2 and note 19.

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

23 Taxation

All of the Trust's income is applied for charitable purposes and is therefore exempt from corporation tax. The Trust's trading subsidiary had a corporation tax liability of £nil at 31 March 2024 (2023: £nil).

24 Ultimate controlling party

The ultimate controlling party is the Board of Trustees.

25 Funds held as custodian trustee on behalf of others

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

Hampshire County Council Collections

In 2023-24, a total of 48 acquisitions, either individual objects or associated groups of objects, were made to the Hampshire County Council museum collections. The majority of acquisitions were made as gifts to the council at no cost. The value of items purchased for the collection in total was just under £7,000. The most valuable acquisition was a set of Iron Age chariot fittings.

Six objects or groups of objects were disposed of from the accessioned collections in line with the Collections development policy.

Winchester City Council Collections

In 2023-24, a total of 12 acquisitions were made to the Winchester City Council museum collections.

The majority of acquisitions were made as gifts to the council at no cost. Two objects were purchased with a total value of £285. One object group was returned to its owners ending a long-term loan for these items.

HAMPSHIRE CULTURAL TRUST

England & Wales - Charity number 1158583

Accounts

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

**TRUSTEES' ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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

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Hampshire Cultural Trust
Company number: 08986225

Trustees' Report

Reference and Administrative Details

Company registered number	08986225
Charity registered number	1158583
Registered office and principal address	Chilcomb House, Chilcomb Lane, Winchester SO23 8RD
Contact number	01962 678140
Website	www.hampshireculture.org.uk
Directors and Trustees	Alan Lovell (Chairman) Emma Back Rachel Bebb (resigned 29 September 2023) Anna Blackman Robert Boyle (resigned 30 September 2022) Mark Brett (appointed 23 May 2023) Peter Cardy OBE (resigned 11 May 2023) Karen Chillman (appointed 23 May 2023) James Croxford (appointed 14 June 2023) Yinnon Ezra MBE (resigned 29 September 2023) Keith Mans Hugh McNaughtan (appointed 1 July 2022) Claire Miller (appointed 24 February 2023) Michael Southgate (resigned 29 September 2023) Lucille Thompson Louise West James Winkworth
Company Secretary	Victoria Donkin
Chief Executive	Paul Sapwell
Auditors	PKF Francis Clark Hitchcock House Hilltop Park Devizes Road Salisbury SP3 4UF
Principal Bankers	Natwest Bank 105 High Street, Winchester SO23 9AW
Solicitors	Paris Smith LLP 11 London Road, Southampton SO15 2AE

Trustees' Report

Report of the Trustees (incorporating the Directors' report) for the year ending 31 March 2023

The trustees are pleased to present their annual report together with the consolidated financial statements of Hampshire Cultural Trust ("the trust") and its one subsidiary, Hampshire Cultural Trust Trading Limited ("the trading company"), for the year ending 31 March 2023.

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

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

Chairman's Report 2022-23

In April 2022, we finally emerged from the COVID-19 pandemic. As public confidence grew and people returned to normal life and public spaces, our visitors and audiences also returned.

The year was dominated by our ambitious capital projects programme. Having successfully taken on responsibility for The Arc in Winchester in February 2022, 2022-23 saw us forging ahead with the transformation of Gosport's Old Grammar School into Gosport Museum and Art Gallery, a much-needed creative community hub on the town's high street. We also developed and opened our Anglo-Saxon attraction, 878 AD. The result of a unique partnership between heritage, the gaming sector and tech innovation, 878 AD interprets history in a new and exciting way for those who may not be interested in visiting a traditional museum, opening up history for everyone to discover.

Our visitors were treated to an inspirational programme of exhibitions. These saw us drawing on our own collections for *SHOES: Inside out*, working with new and major national partners, including the National Gallery, commissioning a video artwork installation inspired by our unique herbarium collection and taking a new

Trustees' Report

approach to making private art public with *Infinite Beauty*, which saw works being sourced entirely from local, private collectors. Audiences were slower to return to our arts centres, in line with the experience of the whole performing arts sector. By the end of the year, however, the arts centres were back to their buoyant, pre-pandemic selves, with classes fully booked and some shows selling out within 24 hours. The Halloween and Christmas periods at Milestones Museum proved to be our most successful to date in terms of both visitor figures and revenue, with over 5,600 visitors welcomed over just one weekend to the now well-established Christmas market.

Work to reach those most at need in communities across the county went from strength to strength. The number of participants in creative courses on our Brighter Futures programme, which supports adults with mental health needs, increased from 245 to 449 in just one year, while our Creative Boxes were translated into three additional languages including Ukrainian, providing a small lifeline of support to those whose lives have been disrupted by war. New partnerships were forged, including with Fostering Hampshire Children, while more than 7,000 visitors saw exhibitions celebrating creativity and raising awareness of mental health issues organised by young people participating in the ICE Heritage programme.

Our long-held ambition to achieve status as an Arts Council England (ACE) National Portfolio Organisation (NPO) was this year realised. The funding that we will receive over the coming three years will not only enable us to continue to deliver our core programmes but will also allow us to increase our levels of activity and engagement in three priority areas in the county: Rushmoor, the New Forest and Gosport. We were also successful with our bid for funds from the National Lottery Heritage Fund (NLHF) for the first stage of our redevelopment of Alton's Allen Gallery. This intimate venue houses one of the nation's most important ceramics collections, and this initial funding will support us to rediscover that collection for the community and town of Alton.

Our environmental action plan has made great strides. We have achieved bronze accreditation as a carbon literate organisation, identified 12 key priorities for the coming year and have gained sector recognition at events hosted by Julie's Bicycle as part of ACE's Accelerator Programme for NPOs. Investment in our most valuable asset – our people – was a major strand of activity in 2022-23. 15 managers from across the trust took part in our first management training programme, we developed our employee value proposition and brand and launched an enhanced benefits package for all staff. After taking part in the b-Heard employee survey for a third time, we were thrilled to achieve One to Watch status for a second year running.

While we may be out of the pandemic, we are, as is everyone, still faced with a challenging economic environment. 2022-23 was a tough year and for the first time, we posted a deficit. To help combat the challenges facing us, in January we put in place a new organisational structure that will help us to ride out the immediate future, but, more importantly, put us in a stronger position for the years to come.

Every year as I write this annual report, I think that we cannot possibly have surpassed achievements of the previous year – but we have. I would like to thank our funders, partners, visitors and donors for their continued support, I would also like to give thanks to our founding trustees who retire in September 2023 after more than eight years of service. They were instrumental in the establishment of the trust and their commitment and hard work has been invaluable.

Finally I acknowledge, with immense gratitude the dedication, passion and determination of our team of staff and volunteers, who continue to deliver our core charitable purpose: to change lives through culture.

Trustees' Report

STRATEGIC REPORT

Achievements and performance

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

GOAL ONE

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

- We welcomed 635,122 visitors through our doors, a significant achievement given that audience sentiment regarding returning to public places remained cautious in the early months of the year
- Our total digital engagement, which includes a combination of website sessions and social media impressions, was 10.1 million, a decrease of 0.9 million on the previous year, reflecting a decline in post-pandemic digital engagement as our visitors moved away from digital media and returned to in-person experiences
- Our PR programme secured 781 pieces of positive publicity. Media coverage included BBC South, Channel Four News, BBC Two, the *Jewish Chronicle*, *Country Life* and the *Guardian*, as well the *Times* and the *Daily Telegraph*, which both carried photograph features for our self-curated exhibition, *SHOES: Inside Out*
- Our exhibition programme at The Gallery in The Arc, Winchester, opened with *Extraordinary Everyday: The art and design of Eric Ravilious*. This self-curated exhibition attracted more than 8,500 visitors and brought together over 60 objects, with loans from new partners, the Imperial War Museum and Aberdeen Art Gallery. It also featured collections and ceramics which had not previously been on public display. This was followed by *Out of the Blue*, a touring exhibition from the Fashion and Textile Museum celebrating the work and influence of Designers Guild. *Infinite Beauty* brought together works exploring the enduring appeal of nature as a subject for leading British contemporary artists. Drawn entirely from private collectors in Hampshire, many of the works on display were exhibited publicly for the first time. Towards the end of the year, *Sin*, a partnership exhibition with the National Gallery, London, came to The Gallery, featuring works by artists including Rembrandt, Jan Steen, Ron Mueck and Tracey Emin
- The relocation of City Space to the area outside The Gallery in The Arc, Winchester, provided opportunities to connect the work of local artists with exhibitions in The Gallery. These included *Turn and Return*, a striking display of textiles by weaver and dyer, Deirdre Wood, and *We Carry A New World In Our Hearts*, an exhibition celebrating the power of voices of dissent by printmaker, Katherine Anteney
- An ACE funded commission by artist Suna Imre was installed in the atrium at The Arc. The arresting, hanging work comprises an array of wood-smoked, clay boulders, referencing our precarious relationship to the Earth. The installation will remain on display until 2024
- At the Sainsbury Gallery in Basingstoke, visitors enjoyed *Crafted*, a celebration of high-quality, contemporary work by 22 artists from the Hampshire and Berkshire Guild of Craftsmen. This was followed by *Mythomania*, with large-scale sculptures in stainless steel, vinyl, corrugated cardboard and Perspex, and the Trinity Buoy Wharf Drawing Prize 2022, which filled the gallery with works by over 90 artists from across the globe
- The final exhibition of the year saw the trust's shoe collection step out in style in *SHOES: Inside Out*. More than 70 pairs dating as far back as 11 AD, were presented in the gallery, along with X-rays giving a glimpse into the inner working of selected shoes
- Following the building refurbishment, Gosport Gallery re-opened with a commission from nationally renowned Portsmouth artists Heinrich and Palmer who worked with the trust's herbarium collection to create

Trustees' Report

a video artwork inspired by flora and fauna growing in the local area

- At our three arts centres, we continued to rebuild our live performance and participation programmes following the challenges of the pandemic. We welcomed many well-known acts and artists, who drew strong crowds. These included Cara Dillon, Shaparak Khorsandi, Peggy Seeger, Mark Watson, The Brit Funk Association, Pete Firman, Glenn Moore, Mike Dawes, Rosie Jones and Zoe Lyons
- Funding from ACE supported two arts centre projects: Grassroot Music at the West End Centre and an outdoor arts project across all three venues. Through these projects we were able to pilot new artforms and co-creation models and work towards building a more sustainable future for music in Rushmoor
- Supported by NLHF funding, the first phase of an exciting project to rediscover Alton's Allen Gallery began. Home to one of the nation's most outstanding ceramics collections, this ambitious, two-stage redevelopment has community engagement at its heart and aims to reimagine the collection, making it relevant and accessible to all ages and backgrounds
- Rockbourne Roman Villa celebrated 90 years since its discovery with a two-day, multi-period living history event, while the Red House Museum staged outdoor theatre with a performance of Little Red Riding Hood, by The Yak Pack Theatre Project
- The end of 2022 saw the opening of 878 AD, an exciting, immersive visitor attraction created in partnership with video game developer Ubisoft and creative studio Sugar Creative. Depicting everyday life in Anglo-Saxon Winchester and supported with graphics from the globally successful Assassin's Creed video games, the attraction has seen a diverse audience base, engaging people who do not traditionally visit museums
- Milestones Museum of Living History welcomed 102,442 visitors over the course of the year, with events focussed on key trading periods. These included summer exhibition History Saves the World, which raised awareness of climate action by examining both good and bad environmental practices from history, 1940s Week, Play Days: Games at the Museum during February half term, as well as activities for Halloween and Christmas, when visitor numbers exceeded those seen during the same periods in 2019
- We welcomed nearly 15,000 schoolchildren to our venues in 2022-23. 10,000 of these, along with 2,000 teachers and helpers, visited Milestones Museum where the schools' programme has finally returned to pre-pandemic attendance levels
- Collections management underpins much of our high-quality public engagement programme. Our team cleaned, conserved and documented each object that was put on display or removed during the year, whether for a temporary exhibition such as the showcase of our costume collections for SHOES: Inside Out or the complete refurbishment of the permanent galleries at Gosport Museum
- We successfully bridged the gap between academic research and public engagement by bringing together researchers from Historic England and the universities of Winchester and Southampton in our innovative approach to communicating the most up-to-date understanding of 9th century Winchester at our new attraction, 878 AD
- During the year, our small, dedicated team of staff and volunteers continued structural improvements to our collections database, creating over 15,000 new entries and uploading over 4,000 new images, part of a process designed to make our collections more accessible in the future
- In 2022-23, key acquisitions included a rare, Roman copper alloy hare brooch, an early Anglo-Saxon arm brooch and a 19th century rifle, allegedly burned during the Winchester Barracks fire of 1894. Our collections continue to be available online via the collections website, which received over 110,000 views last year, and our social media channels, which had a combined reach of over one million. In addition, we responded to 795

Trustees' Report

public enquiries, which ranged in scope from checking local history details to arranging in-person access to our stores and archives

GOAL TWO

To improve wellbeing, health and happiness through cultural experiences

- The work we do with the most vulnerable in our community is at the core of our purpose, changing lives through culture. We continue to work with key partners such as Hampshire CAMHS (Child and Adolescent Mental Health Services), the National Probation Service, Hampshire County Council Children's Services and local community organisations. This work provides cultural engagement for a range of communities that includes veterans, older people living with dementia, adults and young people with mental health issues and people either in prison or on probation. During the year we worked with 1,990 participants
- **Men's Shed project**
Building on a pilot project started during lockdown, the team at Forest Arts Centre expanded their collaboration with the New Milton Men's Shed to create and deliver craft packs. From trinket boxes to cold frames and découpage ornaments, DIY kits were distributed with the help of local social prescribers and charities to people at risk of social isolation and those who may experience significant barriers to accessing local cultural provision. The project also supported Men's Shed members to lead a community project and boost their own mental health through connection, learning new skills and giving to others
- **Brighter Futures**
In partnership with wellbeing centres, day care providers and the social prescribing network, our Brighter Futures programme worked to improve and sustain positive mental health and wellbeing in Hampshire adults. Delivered in five of our venues, including in Winchester for the first time, The breadth and diversity of the programme was increased in 2022-23 to include an ESOL (English for speakers of other languages) provision for second language learners and family courses working with the Winchester City of Sanctuary partnership. The 449 learners worked with local artists on 52 creative courses that included celebrating seasonal living, clay crafts for wellbeing, needle felting and more. The courses aim to build confidence, develop emotional resilience and provide opportunities for people to connect with other people in their community
- **Be the Inspiration**
This year we formed a new partnership with Fostering Hampshire Children to support children and young people with care experience and foster families for their new #openyourdoor campaign. 46 children aged 4-17 years old and their foster families worked with artists at Forest Arts Centre, Milestones Museum, Andover Museum and Museum of the Iron Age and Westbury Manor Museum to create artwork celebrating their creativity and sharing their stories. The artwork will be displayed in a touring exhibition in four of our venues and with partners alongside the #openyourdoor campaign in 2023-24
- **Creative boxes**
Building on the success of this programme during the pandemic, a further 150 creative boxes were distributed across the county to young people struggling with their mental health to provide opportunities for them to engage with creativity. With support from the community and established partners, many of these boxes were sent out over the festive period to offer positive activities during what can be a difficult time. We also worked with Hampshire County Council Children's Services to create an artwork installation at the Curtis Museum in Alton, while three additional translations – Ukrainian, Pashto and Arabic – of the accompanying

Trustees' Report

booklet were produced in partnership with schools to support young people seeking sanctuary in Hampshire. These partnerships led to a series of workshops with young people from the City of Sanctuary community producing artwork for a moving collective exhibition, *From One Place to Another*, at The Arc. In total, 176 young people were reached during the year and seven artist-led workshops delivered

- **Horizon 20:20**

Now in its seventh year, this programme, which works with seven education centres across Hampshire, is supporting teachers to develop their own arts programmes. Recognising the continued impact of the pandemic, mental health illnesses and the cost-of-living crisis, this programme continued. To ensure that some of the most vulnerable young people in Hampshire were able to access high-quality arts and culture, artists, cultural experiences and all the benefits they bring. Through professional development, four education centres are ready to submit their Artsmark accreditation application

- **ICE Heritage**

In partnership with Hampshire CAMHS, the ICE Heritage programme, worked with young people aged 11-18 years old, creatively engaging them with arts and local heritage and exploring themes inspired by our collections and the environment

- Westbury Manor Museum, Andover Museum and Aldershot Military Museum welcomed six cohorts of young people to participate in inspire days and 10-week programmes, with 79 artist-led art workshops including photography, printmaking and leathercraft. To celebrate their work, young people ran their own events and curated their own exhibitions which were seen by over 7,000 visitors. Built into the programme was long-term support for individuals to help their journey towards positive mental health, including stage confidence workshops at Ashcroft Arts Centre, coats of arms creative workshops at both The Arc and Ashcroft Arts Centre and costume design with Hampshire Wardrobe. The young people were supported to get involved with arts venues and events in their local communities, with highlights including performing at the *All in the Mind* festival, Basingstoke, recording their music at Hightown Studios in Southampton and showcasing artwork and interview films at Winchester School of Arts

- **The Resilience Garden**

In the summer, Aldershot Military Museum opened its Resilience Garden. Since 2021, the project – funded by MOD Covenant Fund and Hampshire Gardens Trust – has been working with local civilians and veterans recovering from mental health illness to design and create a community garden in the grounds of the museum. With support from facilitators, the participants developed new creative skills, such as mosaic making, using them to create the garden design. The garden will now offer opportunities for volunteering to help with its maintenance

- **Allen Gallery community programme**

As part of the NLHF funded programme to redevelop the Allen Gallery, we worked with a number of community groups and partners to explore how the venue and its collections could support the health and wellbeing of the local community. In partnership with Dementia Friendly Alton, the Creative and Curious pilot programme was delivered, offering hands-on, craft-related activities to group members and their carers. This programme also worked with Alton's St Lawrence School, developing an intergenerational series of activities and supporting students to work alongside group members. The partnership will be developed into a regular series of engagement opportunities, with 57 older people and 62 students already reached and engaged

- **On the Move**

During the year we completed our first collections project designed to enhance health and wellbeing. Thanks

Trustees' Report

to funding from the Museums Association, and with support from Solent Mind, 14 volunteers gave over 1,500 hours of their time to On the Move, cataloguing and researching our industrial vehicle collections. Every participant reported improvement in their mental health, especially around a sense of purpose and belonging. The project also allowed for investment in training for collections staff and helped develop our impact evaluation processes

- **Reaching Out!**

With continued funding from ACE and the Department for Education, Reaching Out! supported schools in areas of high deprivation in North Hampshire with a higher-than-average pupil premium. With schools emerging from the pandemic and the cost-of-living crisis hitting, the project focused on strengthening partnerships with new and existing schools and developing education programmes which include Special Educational Needs and Disability learning provisions, wellbeing outdoor activities and combined offers to enhance pupils' education. The programme welcomed 3,619 pupils from 63 schools

- **Tuesday Strolls**

Red House Museum continued to provide people living with dementia and their carers with the opportunity to enjoy a social walk around historic Christchurch as part of their volunteer-led programme, Tuesday Strolls. The team created 350 opportunities for people to take part in the walks, which were supported by referrals from local social prescriber networks. The museum also began working in partnership with Pramalife to offer a fortnightly carers' support group

GOAL THREE

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

Although this was a tough year financially, our proactive and flexible approach to fundraising and income generation helped our position as a sustainable and resilient organisation. During the year, we secured over £3 million in grants and donations for programmes running until 2026.

- In 2022-23, we deepened our relationships with ACE and NLHF. This included securing ACE NPO status from April 2023 and significant project funding from NLHF including for the development phase of the Allen Gallery project. We are also proud members of the first NLHF Heritage Innovation Fund cohort. Support from a range of funders and donors for 878 AD was particularly notable and we are very grateful to the trustees of the Engert Watford Motor Museum for their significant grant towards our vehicle collection. Implementation of the Spektrix ticketing CRM resulted in new opportunities for digital fundraising, generating £20,000 in the first year
- In November 2022, we opened Gosport Museum and Art Gallery following a year's closure for redevelopment. The £1.5 million project investment was made possible through support from a wide range of partners, individuals and groups, as well as a community fundraising campaign, Tag-A-Tile, which successfully secured a further £12,000. The investment allowed the development of facilities to increase the venue's engagement capacity and improve financial sustainability. A new local history museum was co-created with local residents, a community gallery established to showcase the work of local artists and makers and the learning and meeting rooms refurbished to provide improved facilities for groups. A new café and retail area support income generation and adaptations to the ground floor reconnect the building with the high street and provide easier access to Gosport Gallery. Feedback from visitors has been exceptional, and visitor figures have increased from a monthly average of 2,300 pre-pandemic to 3,200 per month
- This year marked the first full year of our operational responsibility for The Arc in Winchester. The Arc team,

Trustees' Report

working with Hampshire Libraries, successfully grew engagement and opened up new income streams to enhance the venue's financial sustainability. During the year, we welcomed more than 275,000 visitors, of which 16,408 enjoyed live performances, classes and workshops, while a further 11,800 participated in sessions run by Winchester Library. We offered over 220 events and activities, a fourfold increase in the 2019-20 programme, with comedy, children's theatre, workshops in the Digital Lab lectures and talks, as well as term-long classes covering many different art forms. The café and retail offer both increased substantially, attracting regular visitors and generating significant income

- Considerable progress with our environmental action plan was made during the year, including conducting further energy audits of our sites, embedding environmental responsibilities into our activities and achieving bronze accreditation as a carbon literate organisation. We also identified 12 key environmental priorities for the coming year. We took a proactive approach to sustainability by piloting a green team at our head office, where staff planned and delivered environmentally focused activities to improve biodiversity and sustainability. Our work in environmental sustainability gained recognition in the sector, with presentations at events hosted by Julie's Bicycle as part of ACE's Accelerator Programme for NPOs and the South East Museum Development Programme, where we shared our best practices with their museum network
- We completely modernised the IT experience for our staff by replacing ageing technology with new desktop and laptop computers, deploying video conferencing technology to meeting rooms across the trust and migrating to cloud-based service offerings

GOAL FOUR

To create fulfilling employment and volunteering opportunities through culture

- We employ more than 180 staff and engage over 400 volunteers. Our people are our most valuable asset, delivering our strategic priorities and social impact. With three new venues opening in 2022 and new staff to recruit in a tough market, it was crucial to stand out from the crowd and give prospective employees a powerful reason to work for us. We therefore developed our employee value proposition and employer brand, Make your Mark, and also launched our new careers website which provides information about our values, stories from our people and the benefits of being part of our team
- We reviewed our approach to recruitment and onboarding, launching an enhanced process to ensure we deliver a first-class candidate experience. This included the development and implementation of our new applicant tracking system, as well as tools and resources to upskill our hiring managers, including a recruitment guide, toolkit and new training programme. As a result, we have seen a significant uplift in quality applications and increased the diversity of our workforce
- Taking the cost-of-living crisis into account, a review of the trust's employee benefits was undertaken and an enhanced benefit programme launched in October. We introduced season ticket and travel loans, free flu vaccinations, a charity worker discount scheme, a new eyecare scheme for screen users and a new employee assistance programme, which offers a range of features aimed at improving health and wellbeing
- Our new Equity, diversity and inclusion (EDI) strategy and policy were developed, setting out our continued aspirations as well as the actions we will take to ensure that EDI is embedded in everything we do. The strategy and associated action plan will launch in 2023-24
- Our inaugural management development programme saw 15 managers from across the trust take part in a five-month learning journey to support them to develop inspirational and values-based leadership styles
- We undertook the Best Companies b-Heard employee engagement survey for the third time, achieving an 82% response rate and One to Watch status for a second year running

Trustees' Report

- We were confirmed as one of 35 innovation projects awarded an NLHF grant to make the heritage sector fit for the future. We are participating in a six-month innovation learning programme to develop a new volunteer strategy, in consultation with staff and volunteers at venues across the county
- Faced with the continuing pressures of rises in inflation, utilities and pay we reorganised in early 2023, putting in place a structure to improve our sustainability. By reducing costs and increasing focus on income generation, the new structure will enable us to continue to deliver high-quality arts and culture both for our communities and visitors to the county in the long term
- With ACE support, we brought two new temporary positions into the organisation, Cultural Development Managers for both Gosport and Rushmoor. These roles work closely with local borough councils in ACE's priority places to progress the aims of their respective cultural strategies. They provide dedicated expertise to build the local cultural sector, fostering closer, collaborative working and undertaking capacity building with partners

Our Supporters

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

Financial review

Total income for the year of £8,368,656 (2021-22 Restated: £8,276,327) shows a modest increase from 2021-22. This is despite the ending of pandemic related funding support received in 2021-22, an adjustment to increase 2021-22 income figures due to a change in accounting treatment for grant income (referred to in note 2 to the accounts), and an extremely difficult economic environment. It reflects strong focus on enhancing the revenue generation from our venues, improving yields and adding additional venues, as well as further support from our principal funders. Substantial growth in income from charitable activities and trading income are particularly noteworthy.

As well as increases in costs due to new venues, costs have come under pressure during the year from high inflation levels and other adverse economic developments. The trust has taken prompt actions to actively seek efficiency savings and reduce costs. Difficult decisions have also been taken during the year to implement a redundancy programme and to commence a small number of venue closures where insufficient local authority support is available.

During the year, reserves were also impacted by a substantial capital projects programme, including the development of The Arc in Winchester, the transformation of Gosport's Old Grammar School into Gosport Museum and Art Gallery, and the launch of our Anglo-Saxon attraction, 878 AD. £325,000 of designated funds brought forward from 2021-22 were fully expended on that capital programme in 2022-23.

Hampshire Cultural Trust Trading Limited is showing a profit for the year of £70,709. Following post-pandemic return to normal trading and growth in trading company profits, a management fee has been charged by the trust to the trading company for the first time. The remaining available taxable profits of the trading company will be Gift Aided to the trust during the next financial year.

The principal source of core funding remains with our founding members, Hampshire County Council and Winchester City Council, contributing 34% to income (32% in 2021-22 Re-stated). Other local authority income contributed 5%.

Trustees' Report

The trust suffered a consolidated loss for the year to 31 March 2023 of (£656,973) (2022 Re-stated: surplus £648,825). The trust's total reserves at 31 March 2023 were £2,338,465 (2022 Re-stated: £2,995,438). The 2022 surplus and reserves were restated mainly for a change in grant income recognition, referred to in note 2 to the accounts. This represents a timing difference, accelerating the recognition of some income.

The closing cash position has decreased to £1,255,325 (2022: £1,866,537), largely due to expenditure on the major capital investment projects referred to earlier.

Unrestricted net assets are £851,487 (2022 Re-stated: £1,739,466), with £378,269 held as net current assets available for immediate use as free cash reserves. Management has taken actions, with support from our core funders, to seek to enhance this level of free cash reserves in line with the trust's Reserves policy. The trustees are satisfied, with income committed from core funders, appropriate actions taken to enhance income and manage costs, that our reserves remain sufficient to support activities going forward.

Going Concern

Current activity levels, the recently achieved NPO status with ACE and committed funds from our founding local authorities through to at least 31 March 2025 provide reassurance as to the basis of going concern, even despite this continuing period of difficult trading. Management has produced forecasts for these periods, which demonstrate that with sensible and progressive actions there are adequate reserves to continue to operate for the foreseeable future, and for at least 12 months from the date of this report.

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

Reserves policy

The trust holds reserves primarily to protect itself from the impact of unexpected variations in income and expenditure. Significant variations in income may arise, for example, from a major incident at the trust's main income-generating venue, or through delays in receipt of project grants, or a global pandemic, such as the one we have experienced through 2020-21. In addition, an incident such as a fire may result in additional costs being incurred, which the trust may have to finance from its own funds before any recovery from third parties.

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

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

Under this policy, bearing in mind Charity Commission guidance and taking into account continuing challenging economic conditions, the trustees consider that free cash reserves should be raised to at least £500,000 in the short term and should be rebuilt over time to a level of approximately £1,000,000, although significant variations may arise year to year.

The trust is continuing to invest in its portfolio, its infrastructure and its people. These investments will continue to enhance the revenue generation of the venues and activities of the trust; to ensure a more diverse and resilient portfolio of funding sources; and to maintain the level of reserves in line with the trust's Reserves policy.

Trustees' Report

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

Principal risks

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

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

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

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

- delivering an ambitious programme of events, activities and projects to include active strategic and operational engagement and partnership-working with local authority representatives at both operational and financial levels;
- continual improvement in operations and financial management, enabling the trust to deliver its operational programme within approved financial budgets, whilst maintaining the planned level of reserves;
- ongoing development of staff and employment policies to meet current requirements and best practices;
- safeguarding policies to be reviewed and issued, DBS checks for all staff involved in regulated, unsupervised activity as highlighted in the Safer recruitment policy;
- holding the appropriate level of reserves as detailed in the Reserves policy;
- continual development of the operational risk register with a wider scope and frequent monitoring; and
- holding appropriate insurance cover including, business interruption, property, employers' liability, professional indemnity, public and products liability, collections, fleet and cyber.

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

Trustees' Report

Future plans

- We start our 2023-24 exhibition programme in The Gallery at The Arc, Winchester, with *Sin*, a touring exhibition from The National Gallery, London, followed by *Constable: The Dark Side*. This unique show will be specially curated for the trust and will explore Constable's obsession with the contrast between light and dark. *SHOES: Inside Out* will follow, and towards the end of the year, The Gallery will showcase a selection of tapestries from textile artist and ceramicist, Grayson Perry
- At the Sainsbury Gallery at the Willis Museum in Basingstoke, we will celebrate the 75th anniversary of the arrival of HMT Empire Windrush in London in 1948. This self-curated exhibition retells the significance of this arrival and the reasons why people from the Caribbean were invited to come to Britain to help rebuild the country after the Second World War. Gosport Gallery will feature *Underwater Photographer of the Year 2023* for the first time and we can look forward to *Sandsational*, an unusual and exciting sand sculpture commission and our first charged exhibition in this gallery
- Milestones Museum will enhance its living history offer through the recruitment and training of costumed volunteers. A refurbished space will provide the opportunity to display a variety of domestic appliances from the museum's much-loved collection that have been in storage for some years in a new programme of themed exhibitions
- In February 2024, we will submit an application to NLHF for the second phase of the development of Alton's Allen Gallery. This will see the refurbishment of the venue to showcase its outstanding and newly reinterpreted ceramics collections, provide a dedicated community space and make a significant contribution to the culture, economy and life of the town
- We will carry out a feasibility study for the expansion of Milestones into the adjacent, outdoor green space as part of Basingstoke and Deane Borough Council's plans for the regeneration of the town's Leisure Park
- A feasibility study will take place at the Willis Museum and Sainsbury Gallery in Basingstoke. Commissioned by Basingstoke and Deane Borough Council, the study will explore the potential for this venue to support plans for town centre regeneration through greater visibility of key moments in the town's history, including the Burberry and Jane Austen stories
- The Cultural Development Manager roles in Gosport, Rushmoor and the New Forest, funded through our NPO commitment to priority places in Hampshire, will continue to drive forward collaborative working and projects in each area, including working with Gosport Borough Council on Arts in the Parks in Gosport, planning for a new culture and leisure facility in Rushmoor and a new literature festival in the New Forest. These roles will also support our broader NPO ambitions, including the development of training programmes and networking opportunities for creative practitioners
- In 2024, we are looking forward to celebrating the 50th anniversary of excavations at Silchester, one of the most important Roman archaeological sites in the country. In partnership with the University of Reading and hosted at Basingstoke's Willis Museum, the exhibition will draw attention to both the scientific rigour of the excavations as well as the human stories they unearthed
- We will roll out an education programme for 878 AD, offering children in Key Stages 1, 2 and 3 the opportunity to engage with interactive and immersive learning, underpinned by the national curriculum
- Our work to build a touring exhibition offer using the exceptional museum collections in store will continue. Our first commercially available show, *Dinosaurium*, will travel to Time & Tide Museum in Great Yarmouth next year, and we are also looking forward to adding a refreshed touring display of our Egyptian collection. As part of the national MAGNET partnership, we are also working with museums across England to create a joint

Trustees' Report

touring display on the theme of colour that will travel to Hampshire in 2025-26

- We will continue to work on making our stores and collections information more accessible to our communities. In 2023-24, we will seek project funding to deliver a new volunteering offer to support the future programming for our celebrations of the 250th anniversary of Jane Austen's birth in 2025
- We have set ambitious goals around environmental sustainability, including achieving gold accreditation as a carbon literate organisation by March 2024. Our key environmental priorities for the coming year include determining the financial and carbon impact of capital and biodiversity opportunities, reviewing contracts to monitor and collate waste data, promoting sustainable travel options, monitoring and reporting on energy data, reviewing procurement choices for suppliers' green credentials and developing environmental sustainability criteria for capital projects and exhibitions
- We will deliver our action plan to support our EDI strategy aiming to be as diverse as Hampshire and its surrounding counties. This will include focusing on the diversity of our workforce and reviewing our programme, exploring how to attract a more diverse audience base
- Following completion of the NLHF Innovation Programme, we will launch our new volunteer strategy and continue to lay the foundations towards accreditation experience through Investors in Volunteers
- We will start the second cohort of our Management development programme, build a plan to deliver a pilot programme for apprenticeships and launch our License to Hire development programme, training our staff in best practice recruitment processes.

Structure, governance and management

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

The trust is governed in accordance with its Articles of Association for a charitable company (the Articles of Association were last amended by a special resolution on 25 September 2022). Copies can be obtained from the trust's registered address.

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

The trust has one wholly-owned trading subsidiary, Hampshire Cultural Trust Trading Limited ("the trading company"). The objective of the trading company is to generate income to support the charitable objectives of the trust. It carries out commercial activities that complement the charitable objectives of the trust. The trading company will pay an amount equal to its distributable reserves each year to the trust under the Gift Aid scheme. The relationship between the charity and the trading company is reviewed annually by the Finance, Investment and Audit Committee and the board.

Appointment of trustees

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

In September 2023, several founding trustees reached the end of their term and have retired. To develop an effective succession plan and manage the recruitment process, in September 2021, the board agreed to establish

Trustees' Report

a Nomination Committee. During 2022-23, the committee worked with the Chief Executive, Director of People and Company Secretary to undertake a skills audit of trustees and develop a succession plan, with the intention to recruit up to five new trustees. With the retirement of the chairs for the Finance, Investment and Audit Committee and HR and Remuneration Committee in September 2022 and September 2023, respectively, the appointments of their successors were prioritised during 2022-23, with Hugh McNaughtan appointed in July 2022 and Claire Miller appointed in February 2023. Three further appointments have been made in May and June 2023 to replace those that have retired.

One of the four founding trustees due to reach the end of their term in September 2023, was the chairman of the charity, Alan Lovell. With two additional trustees leaving the charity in 2022 and 2023 due to personal reasons, and following rigorous discussion and debate, the trustees determined that it would be in the best interests of the charity for the chairman's permitted length of service to be extended by two years, to the Annual General Meeting (AGM) in 2025. This was with due consideration of the financial uncertainty currently faced by the trust and the wider sector and the upcoming retirement of four trustees at the AGM in 2023, the board agreed that the extension would provide the charity with essential continuity. The ability to extend the chairman's length of service was permitted by a new clause in the updated articles of association, approved by the members in September 2022, which allowed the trust to extend an individual trustee's term in exceptional circumstances. The board was satisfied that this condition was met and ensured that robust discussion and debate was held around alternative options. As part of the process, consideration was given to related guidance from the Charity Governance Code and the Charity Commission, and the review of the articles was undertaken with guidance from the trust's lawyers and the Chartered Governance Institute.

Following the development of the trust's new EDI strategy in 2021-22, improving the diversity of the trust's board was a key priority for the remaining trustee appointments. The Nomination Committee worked with the executive to identify candidates and recommend them for board approval, and to oversee the development of a diverse pipeline for succession.

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

The induction process is led by the Company Secretary, in consultation with the Chairman of the board, Chief Executive and Director of People. The trustee induction and training framework continue to be developed, for implementation in 2023-24.

Management and decision making

The board of trustees is the strategic decision-making body of the charity and is responsible for ensuring the charity's objectives are achieved and its plans are implemented. The trust is committed to following the Charity Governance Code's principles and recommended practice, and the Fundraising Regulator's Code of Fundraising Practice.

Day to day management of the trust and the trading company is delegated to the Chief Executive in accordance with the trust's Scheme of Delegation, which is reviewed annually by the board.

The board generally meets six times per year to review strategy, operational plans and performance, and to endorse key management decisions. It is helped in its work by trustee-led standing committees – the Finance, Investment and Audit Committee, HR and Remuneration Committee, the Collections Committee and the Nomination Committee. Each committee's delegated responsibilities are outlined in their terms of reference,

Trustees' Report

which are agreed by the board and reviewed annually. When exercising any powers or duties to which the guidance is relevant, the trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the commission's public benefit guidance.

Equity, Diversity and Inclusion

Hampshire Cultural Trust is committed to promoting EDI. We believe that a culture that actively values difference and people from different backgrounds and experiences can bring valuable insights to the workplace, enhance the way the organisation performs and the way we work.

In 2021-22, the trust commissioned Charlotte Sweeney OBE to facilitate the board in the development of a new EDI strategy and a review of its policy. Following a full board strategy day in January 2022, two working groups were established: one consisting of members of the board and leadership team, and a staff group to ensure input and collaboration from all areas of the trust. During the following months, both groups worked with Sweeney to develop the strategy, agreeing the overarching strategic goals which are underpinned by four key strategic EDI pillars across the trust: Board, People, Programme and Visitors.

The new strategy was approved by the board in May 2022, and the subsequent policy approved in August 2022. The strategy sets out our continued aspirations as well as the actions we will take to ensure that EDI is continually embedded throughout all we do. Over the coming year, the trust will continue to implement the short-/mid-term actions identified in the strategy and lay the foundations for the longer-term actions, with progress against the strategy monitored at regular intervals.

Remuneration policies

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

A review of the trust's reward, recognition and pay procedures was undertaken in 2022-23, and in recognition of the cost-of-living crisis and to remain a competitive employer in the sector, a full job evaluation and salary review exercise was completed early in 2023-24.

All members of the board are not remunerated for their role as trustees and have no beneficial interest in the charity or group. Any trustee expenses reclaimed from the charity are set out in the notes to the financial statements.

In 2022-23, one trustee, Helene Louise West (HLW), was paid for professional services provided for a commercial, charged event. The charity sought the approval of the board for the provision of these services and related payment, and this was provided following due discussion and debate. HLW's services have been provided on other occasions without pay. HLW did not participate in trustee discussion or decision around the agreement, and a contract was prepared and signed by HLW and a member of the executive.

Funds held as custodian Trustee on behalf of others

In accordance with the trust's governing document, the Management and Funding Agreement with both of our founder local authorities (Hampshire County Council and Winchester City Council) the trust is the custodian of historic assets and properties on their behalf. These assets are held separately from those of the trust and are recorded on Modes, a catalogue system. Any changes to these are detailed in note 27 to the financial statements.

Trustees' Report

Fundraising standards information

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

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

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

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

Auditors

During the year, the trust and its subsidiary appointed new auditors, PKF Francis Clark. So far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware. Trustees have taken all the steps necessary to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

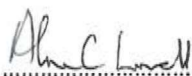
Hampshire Cultural Trust
Company number: 08986225

Trustees' Report

Small Companies Disclosure

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

Approved by the trustees and signed on their behalf by:



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AC Lovell
Chairman

Date 24 November 2023

Independent Auditor's Report to the Members and Trustees

Opinion

We have audited the financial statements of Hampshire Cultural Trust (the 'parent charitable group and parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise Consolidated Statement of Financial Activities, the Group and Parent Charitable group and parent charitable company Balance Sheets, the Consolidated Cash Flow Statement and the related notes, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent group and parent charitable company's affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Independent Auditor's Report to the Members and Trustees

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities set out on page 17, the trustees (who are also the directors of the parent charitable company) 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report to the Members and Trustees

Auditor Responsibilities for the audit of the financial statements

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

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

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to Hampshire Cultural Trust, gained through appropriate audit engagement team selection (ensuring competence and capability to recognise non-compliance) and discussions with management. This covered any knowledge or evidence of actual and potential fraud, litigation and claims, which was followed up with corroborative audit review work. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the group and parent charitable company's ability to continue trading and the risk of material misstatement to the accounts. Based on our understanding of the group and parent charitable company, we identified the principal risks of non-compliance with laws and regulations. We considered the extent to which non-compliance with these laws and regulations may have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as The Companies Act 2006, Charities Act 2011 and relevant tax legislation.

We also discussed with management to what extent the business is exposed to fraud – either inherently because of nature of operations, assets or because of weaknesses in internal controls. From these discussions we have evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. The key incentive identified is to improve the position of the group and parent charitable company to potential funders and we determined that the principal risks were related to the overstatement of surpluses, either through overstating revenue, understating expenditure or management bias in accounting estimates.

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

Based on this understanding we designed our audit procedures to identify non-compliance with relevant laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements. As part of these enquiries, we also discussed with management whether there have been any known instances of fraud, of which there were none
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance
- Reviewed minutes of meetings of those charged with governance

Independent Auditor's Report to the Members and Trustees

In response to the identified risk, as part of our audit work we:

- Sampled sales from outside the accounting system to ensure they are complete in the accounts. We performed cut off to ensure revenue recognition has been applied correctly
- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates

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



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Paul Giessler FCA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Hitchcock House
Hilltop Park
Devizes Road
Salisbury
Wiltshire
SP3 4UF

5 December 2023

Hampshire Cultural Trust
Company number: 08986225

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

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Re-Styled Unrestricted Funds £	Re-Styled Restricted Funds £	Re-Styled Total 2022 £
Income from:							
Grants and donations	2	3,358,651	1,593,820	4,952,471	3,922,676	2,115,230	6,037,906
Income from charitable activities	3	1,644,157	9,251	1,653,408	1,044,104	840	1,044,944
Income from other trading activities:							
- income of trading company	4	1,204,194		1,204,194	810,267		810,267
Investment income	5	8,687		8,687	6,384		6,384
Other income	6	538,056	11,840	549,896	371,405	5,421	376,826
Total income		<u>6,753,745</u>	<u>1,614,911</u>	<u>8,368,656</u>	<u>6,154,836</u>	<u>2,121,491</u>	<u>8,276,327</u>
Expenditure on:							
Cost of raising funds:							
Fundraising and publicity	7	251,055	10,431	261,486	206,604	18,757	225,361
Expenses of Trading Company	4	1,133,485		1,133,485	475,428		475,428
Expenditure on charitable activities	8	6,257,184	1,373,474	7,630,658	5,401,053	1,525,660	6,926,713
Total expenditure		<u>7,641,724</u>	<u>1,383,905</u>	<u>9,025,629</u>	<u>6,083,085</u>	<u>1,544,417</u>	<u>7,627,502</u>
Net income / (expenditure)		<u>(887,979)</u>	<u>231,006</u>	<u>(656,973)</u>	<u>71,751</u>	<u>577,074</u>	<u>648,825</u>
Transfer between funds					(90,000)	90,000	
Net movement in funds		<u>(887,979)</u>	<u>231,006</u>	<u>(656,973)</u>	<u>(18,249)</u>	<u>667,074</u>	<u>648,825</u>
Reconciliation of funds:							
Total funds brought forward		<u>1,739,466</u>	<u>1,255,972</u>	<u>2,995,438</u>	<u>1,757,715</u>	<u>588,898</u>	<u>2,346,613</u>
Total funds carried forward		<u>851,487</u>	<u>1,486,978</u>	<u>2,338,465</u>	<u>1,739,466</u>	<u>1,255,972</u>	<u>2,995,438</u>

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

All transactions are derived from continuing activities.

Details of restatement to 2022 amounts are provided in Notes 2 and 28.

The notes on pages 27 to 45 form an integral part of these financial statements

Hampshire Cultural Trust
Company number: 08986225

Consolidated Balance Sheet
as at 31 March 2023

	Notes	£	2023 £	£	Re-stated 2022 £
Fixed assets					
Intangible assets	11		2		2
Tangible assets	12		<u>764,887</u>		<u>313,631</u>
			764,889		313,633
Current assets					
Stock	14	149,413		130,206	
Debtors	15	1,291,506		1,531,304	
Cash at bank and in hand	18	<u>1,255,325</u>		<u>1,866,537</u>	
		2,696,244		3,528,047	
Creditors: amounts falling due within one year	16	<u>(1,122,668)</u>		<u>(846,242)</u>	
Net current assets			1,573,576		2,681,805
Net assets	19		<u>2,338,465</u>		<u>2,995,438</u>
Funds					
Unrestricted funds:					
General unrestricted funds	19	851,487		1,414,466	
Designated funds	21	<u>-</u>		<u>325,000</u>	
			851,487		1,739,466
Restricted funds	20		<u>1,486,978</u>		<u>1,255,972</u>
Total funds			<u>2,338,465</u>		<u>2,995,438</u>

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

The financial statements were approved by the board on 24 November 2023 and signed on its behalf by:



AC Lovell
 On behalf of the board of trustees

The notes on pages 27 to 45 form an integral part of these financial statements

Hampshire Cultural Trust
Company number: 08986225

Trust Balance Sheet
as at 31 March 2023

	Notes	£	2023 £	£	Re-stated 2022 £
Fixed assets					
Intangible assets	11		2		2
Tangible assets	12		696,729		237,152
Investments	13		<u>1,000</u>		<u>1,000</u>
			697,731		238,154
Current assets					
Stock	14	0		0	
Debtors	15	1,323,567		1,508,942	
Cash at bank and in hand		<u>1,249,559</u>		<u>1,864,865</u>	
		2,573,126		3,373,807	
Creditors: amounts falling due within one year	16	<u>(1,011,717)</u>		<u>(952,938)</u>	
Net current assets			<u>1,561,409</u>		<u>2,420,869</u>
Net assets	19		<u>2,259,140</u>		<u>2,659,023</u>
Funds					
Unrestricted funds:					
General unrestricted funds	19	772,162		1,078,051	
Designated funds	21	<u>-</u>		<u>325,000</u>	
			772,162		1,403,051
Restricted funds	20		<u>1,486,978</u>		<u>1,255,972</u>
Total funds			<u>2,259,140</u>		<u>2,659,023</u>

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

The financial statements were approved by the board on 24 November 2023 and signed on its behalf by:



AC Lovell

On behalf of the board of trustees

The notes on pages 27 to 45 form an integral part of these financial statements

Consolidated cashflow statement
for the year ended 31 March 2023

	Group 2023	Re-stated Group 2022
Notes	£	£
Cash flows from operating activities:		
Net cashflow from operating activities	38,585	(135,763)
Cash flows from investing activities		
Bank interest received	8,687	6,384
Purchase of fixed assets	<u>(658,484)</u>	<u>(72,234)</u>
Cash used in investing activities	<u>(649,797)</u>	<u>(65,850)</u>
Increase/(decrease) in cash and cash equivalents in the year	<u>(611,212)</u>	<u>(201,613)</u>
Cash and cash equivalents at the beginning of the year	<u>1,866,537</u>	<u>2,068,150</u>
Total cash and cash equivalents at the end of the year	<u><u>1,255,325</u></u>	<u><u>1,866,537</u></u>

Reconciliation of Changes in Resources to Net Cashflow From Operating Activities

Net (expenditure)/income for the year		(656,973)	648,825
Depreciation	12	207,228	139,012
Investment income and interest received	5	(8,687)	(6,384)
(Increase)/decrease in stock	14	(19,207)	(20,083)
(Increase)/decrease in debtors	15	239,798	(1,133,491)
Increase/(decrease) in creditors	16	<u>276,426</u>	<u>236,358</u>
Net cashflow from operating activities		<u><u>38,585</u></u>	<u><u>(135,763)</u></u>

Hampshire Cultural Trust
Company number: 08986225

1 Accounting policies

1.1 Charity information

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

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

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

1.2 Basis of preparation of financial statements

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

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

1.3 Income

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

If a grant or donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the charity's control and it is probable those conditions will be met in the accounting period.

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

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

Income from the sale of tickets for courses and tuition, performances and events are recognised in the period in which the event occurs.

Admissions income is recognised in the period in which the initial visit occurs.

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

1.4 Expenditure

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

1.5 Basis of allocation

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

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

1.6 Tangible fixed assets

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

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

A proportionate amount of depreciation is charged in the year of acquisition.

1.7 Stock

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

1.8 Funds

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

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

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

Restricted funds for the purchase of fixed assets are credited to restricted income when receivable. Depreciation on the fixed assets purchased with such grants is charged against either the related restricted fund or against the capital depreciation reserve, where the related project has been completed.

1.9 Leased assets

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

1.10 Financial instruments

The trust's financial assets and liabilities consist only of basic financial instruments, including cash and cash equivalents, short term investments, trade and other debtors, trade and other creditors and accrued expenses. They are initially recognised at transaction price or value, including transaction costs, and are subsequently measured at their settlement value. The fair value of these items approximate their carrying value due to their short term value. Financial assets are assessed for indicators of impairment at each reporting date. Unless otherwise noted, the trust is not exposed to significant interest, foreign exchange or credit risk arising from these instruments.

1.11 Termination benefits

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

1.12 Pension costs

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

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

The Commercial Transfer Agreements (CTAs) between Hampshire County Council, Winchester City Council (together, the 'Councils') and Hampshire Cultural Trust state that the Councils shall remain liable for the deficit in the fund in respect of benefits accrued up to the transfer date of 1 November 2014. The trust is responsible for paying all contributions due to the scheme in respect of the Eligible Employees, and any other sum due to the scheme in respect of the Eligible Employees, including any deficit arising in respect of the benefits accrued by them while employed by the trust. However, according to the CTAs, the Councils fund or reimburse the trust for any contributions made and deficits paid by the trust which relate to the Councils' liability period of 25 years from the date of transfer, or earlier if Council funding ceases, unless contributions or other payments result from matters within the control, influence or responsibility of the trust.

In accordance with FRS 102, while the trust remains virtually certain that the Councils will reimburse the expenditure required to settle its defined benefit obligations, it recognises its right to reimbursement as a separate asset, treating it in the same way as plan assets. The defined benefit obligations in respect of benefits accrued by the Eligible Employees since the transfer are presented net of amounts relating to changes in the carrying value of the right to reimbursement. Additional information is given in note 22 on the contingent liability that exists. Contributions and other payments made related to the Eligible Employees, together with reimbursing grant income and other receipts from the Councils, are accounted for in the period in which they arise.

1.13 Judgements and key sources of estimation uncertainty

Tangible fixed assets are depreciated over their useful lives, taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into consideration. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. The carrying amount is £313,631 (2021: £380,409).

Grant income is recognised when the trust is entitled to the income. In some cases, this requires judgement based on available information related to the grant award and the application for the grant as to when entitlement arises. This may be on issue of the award letter, but in other cases income recognition may be deferred until a pre-determined budget period, until other conditions not necessarily in the trust's control are met or until various performance criteria are achieved. Of total grant income awarded in the year, no income has been deferred at 31 March 2023 (2022 Restated: £nil). Accrued Grant Income of £574,518 (2022 Re-stated: £564,579) is included in the balance sheet at 31 March 2023.

The trustees consider, apart from the above items, going concern referred to below and the contingent liability referred to in note 22, that there are no other material areas of judgement or estimation uncertainty.

1.14 Going concern

The trustees adopt the going concern basis in preparing the Trustees' Report and financial statements. This is based on the reasonable expectation, based on current trading performance, forecasts and projections, committed funding from core funders and ongoing negotiations with those funders, and taking into account reasonably foreseeable changes in income and expenditure, that the charitable company has adequate resources to continue to operate for the foreseeable future.

Management has produced forecasts for these periods, which demonstrate that with sensible and progressive actions there are adequate reserves to continue to operate for the foreseeable future, and for at least 12 months from the date of this report. The estimates and assumptions used are based on historical experience, contractually committed income and changes expected based on negotiations with key funders.

1.15 Investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Hampshire Cultural Trust
Company number: 08986225

2 Grants and donations

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

	Unrestricted funds	Restricted funds	2023 Total	2022 Total	Adjustment	Restated 2022 Total
	£	£	£	£	£	£
Hampshire County Council (HCC)	2,502,480		2,502,480	2,272,480		2,347,480
Winchester City Council (WCC)	298,144	75,000	373,144	298,144	75,000	298,144
	<u>2,800,624</u>	<u>75,000</u>	<u>2,875,624</u>	<u>2,570,624</u>	<u>75,000</u>	<u>2,645,624</u>
Other Local Authority grants:						
Basingstoke and Deane Borough Council	183,600		183,600	183,600		183,600
Gosport Borough Council	60,000		60,000	60,000		60,000
Eastleigh Borough Council	14,480		14,480	40,740		40,740
Bournemouth, Christchurch and Poole Council	100,000		100,000	100,000		100,000
Rushmoor Borough Council	44,224		44,224	44,224		44,224
New Forest District Council	15,000		15,000	15,000		15,000
Bursledon Parish Council	1,000		1,000	2,000		2,000
	<u>418,304</u>	<u>-</u>	<u>418,304</u>	<u>445,564</u>	<u>-</u>	<u>445,564</u>
Other grants:						
Arts Council England		227,300	227,300	1,061,800	95,500	1,157,300
National Lottery Heritage Fund		559,724	559,724	52,607	69,363	121,970
Job Retention Scheme			-	78,217		78,217
Government Business Grants			-	214,821		214,821
The Engert Watford Motor Museum		200,000	200,000	-		-
Emergency Exit Arts			-	-	37,900	37,900
Changing Places		40,000	40,000	-		-
HCC - Wessex Dance Academy	64,985		64,985	62,500		62,500
Hampshire County Council - WDC transitional funding			-	43,148		43,148
Royal Pavillion and Museums Trust		75,282	75,282	73,891		73,891
Gosport Borough Council & HSHAZ Historic England		103,514	103,514	332,412	281,423	613,835
Historic England via Gosport Borough Council			-	46,154		46,154
Garfield Weston Foundation		75,000	75,000	-		-
South Western Railway			-	10,000		10,000
British Museum - Portable Antiquities Scheme		17,754	17,754	24,785		24,785
Hampshire Futures		58,267	58,267	40,683		40,683
Historic England		8,446	8,446	31,780		31,780
Museum Association - Esmee Fairbairn Collections			-	7,110		7,110
Armed Forces Covenant Fund Trust			-	7,967		7,967
HMP Winchester			-	40,000		40,000
Art Fund			-	45,000	5,000	50,000
Syder Foundation		25,000	25,000			-
The Foyle Foundation			-	60,000		60,000
Farnham Maltings - Apprenticeship Funding	10,528		10,528	13,408		13,408
Other grants (less than £10,000)	6,517	23,225	29,742	35,236	393	35,629
	<u>82,030</u>	<u>1,413,512</u>	<u>1,495,542</u>	<u>2,281,519</u>	<u>489,579</u>	<u>2,771,098</u>
Total grants	<u>3,300,958</u>	<u>1,488,512</u>	<u>4,789,470</u>	<u>5,297,707</u>	<u>564,579</u>	<u>5,862,286</u>
	Unrestricted funds	Restricted funds	2023 Total	2022 Total	Adjustment	Restated 2022 Total
	£	£	£	£	£	£
Donations						
Donations (£25,000 and below)	9,569	105,308	114,877	164,106		164,106
Regular donations	48,124		48,124	11,514		11,514
Total donations	<u>57,693</u>	<u>105,308</u>	<u>163,001</u>	<u>175,620</u>	<u>-</u>	<u>175,620</u>
Total grants and donations	<u>3,358,651</u>	<u>1,593,820</u>	<u>4,952,471</u>	<u>5,473,327</u>	<u>564,579</u>	<u>6,037,906</u>

Prior Year Restatement

The trustees have reviewed the accounting treatment of certain grants in the current year and the trust has performed a thorough review of its grant income recognition criteria and accounting treatment in the years ended 31 March 2021 to 31 March 2023. These were periods in which grant income increased considerably in relation to the funding of a new venue and the transformation of an existing venue. A number of grants were identified where entitlement was determined to have occurred in the year ended 31 March 2022 but had been recognised in the year ended 31 March 2023. Accordingly, grant and donation income for the year ended 31 March 2022 has been restated by the amounts shown in the table above. This has had a consequent impact on accrued income in Debtors as at 31 March 2022, shown in note 15, and on Restricted Funds as at 31 March 2022, shown in note 20. The impact of these adjustments has been included within the comparative amounts shown in the Consolidated Statement of Financial Activities, the Consolidated and Trust Balance Sheets and the Consolidated Cashflow Statement. In addition, as part of this exercise, a misclassification of Expenditure on charitable activities between Restricted and Unrestricted Funds of £37,833 was identified in the results for the year ended 31 March 2022 and has also been corrected. The impact of this restatement has also been accounted for in the restated comparative amounts in the Consolidated Statement of Financial Activities, is disclosed in note 8 and has been applied in the restated fund movements and balances in note 20. There was no effect of this item on net income for the year ended 31 March 2022. The aggregate impact of these adjustments on the consolidated result for the year ended 31 March 2022 and on total funds as at 31 March 2022 is summarised in note 28. As a result of the trust's review, no restatements were required to reserve or fund balances brought forward as at 1 April 2021.

3 Income from charitable activities

	Unrestricted	Restricted	2023	2022
	£	£	£	£
Admissions	1,141,066	-	1,141,066	780,654
Workshops and classes	164,780	9,251	174,031	122,173
Box office	333,657	-	333,657	141,215
Booking fees	4,654	-	4,654	902
	<u>1,644,157</u>	<u>9,251</u>	<u>1,653,408</u>	<u>1,044,944</u>

4 Income and expenditure from trading activities of subsidiaries

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

Following post-pandemic return to normal trading and growth in trading company profits, a management fee has been charged by the trust to the trading company for the first time.

The trading company transfers its taxable profits to the trust by way of Gift Aid. A summary of its trading results for the year ended 31 March 2023 is shown below. Financial statements have been filed with Companies House.

Hampshire Cultural Trust
Company number: 08986225

Income and expenditure from trading activities of subsidiaries

	2023	2022
	£	£
TURNOVER	1,204,194	709,381
Cost of sales	491,441	342,426
GROSS PROFIT	<u>712,753</u>	<u>366,955</u>
Administrative expenses	(642,044)	(133,002)
Other operating income	0	100,886
Operating profit and profit before taxation	<u>70,709</u>	<u>334,839</u>
Tax on profit	0	0
Profit for the financial year	<u>70,709</u>	<u>334,839</u>
Amount gifted to Hampshire Cultural Trust	(327,804)	(89,091)
Retained profit for the period	<u>(257,095)</u>	<u>245,748</u>
Retained profit brought forward	<u>336,413</u>	<u>90,665</u>
Retained profit carried forward	<u>79,318</u>	<u>336,413</u>

Balance sheet

Assets	234,548	400,238
Liabilities	(154,230)	(62,825)
Net assets	<u>80,318</u>	<u>337,413</u>
Called up ordinary share capital	1,000	1,000
Profit and loss account	79,318	336,413
Capital and reserves	<u>80,318</u>	<u>337,413</u>

5 Investment income

	2023	2022
	£	£
Investment income	<u>8,687</u>	<u>6,384</u>

All investment income in both 2023 and 2022 is unrestricted.

Hampshire Cultural Trust
Company number: 08986225

6 Other income

	2023	2022
	£	£
Collections and conservation income	1,300	2,083
Trails	24,682	14,183
Events and hire	165,279	86,256
Gift Aid and other tax reliefs	168,780	139,815
Other	<u>189,855</u>	<u>134,490</u>
	<u>549,896</u>	<u>376,826</u>

Included within Gift Aid and other tax relief, is £9,437 which relates to restricted income from Gift Aid. £5,421 of other income in 2022 was unrestricted.

7 Fundraising and publicity

	Unrestricted funds	Restricted funds	2023 Total	2022 Total
	£	£	£	£
	<u>251,055</u>	<u>10,431</u>	<u>261,486</u>	<u>225,361</u>

Fundraising and publicity costs include the cost of marketing the programme of events across the venues.

8 Costs of charitable activities

	Unrestricted funds	Restricted funds	2023 Total	Re-stated Unrestricted funds	Re-stated Restricted funds	Re-stated 2022 Total
	£	£	£	£	£	£
Public programmes	167,799		167,799	126,198		126,198
Collections	510,879		510,879	484,025		484,025
Venues	4,072,182		4,072,182	2,960,715		2,960,715
Business development	1,458,542		1,458,542	1,800,069		1,800,069
Projects	47,782	1,373,474	<u>1,421,256</u>	30,046	1,525,660	<u>1,555,706</u>
	<u>6,257,184</u>	<u>1,373,474</u>	<u>7,630,658</u>	<u>5,401,053</u>	<u>1,525,660</u>	<u>6,926,713</u>

Business Development includes the costs of central functions such as marketing, finance, HR and IT, in addition to the leadership team.

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

As referred to in note 2, the allocation between amounts recorded between Unrestricted and Restricted fund amounts has been restated for the year ended 31 March 2022, with Unrestricted fund amounts reduced by £37,832 and Restricted fund amounts increased by the same amount. This entirely related to Project costs in the table above.

Hampshire Cultural Trust
Company number: 08986225

9 Auditors' remuneration

	2023	2022
	£	£
Audit fees - Trust	<u>24,750</u>	<u>8,500</u>
Audit fees - Trading subsidiary	<u>5,750</u>	<u>3,550</u>

In addition, fees for other services provided by auditors amounted to £3,150 (2022 £1,350), which include advice on various matters and other compliance related services.

10 Employees

	2023	2022
	£	£
Employment costs		
Wages and salaries	4,412,116	3,633,235
Redundancy payments	128,568	-
Social security costs	379,789	303,316
Pension costs	<u>387,373</u>	<u>328,017</u>
	<u>5,307,846</u>	<u>4,264,568</u>

Key management personnel

Employee benefits received by key management personnel during the year totalled £658,242 (2022: £651,486).

The Leadership Team includes the Chief Executive, Director of Finance, Director of People, Director of Marketing and Fundraising, Director of Collections and Programming, Director of Heritage and Attractions, Director of Community and Impact and Director of Arts and Culture.

Higher paid employees

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

	2023	2022
£60,001 to £70,000	3	0
£70,001 to £80,000	1	1
£80,001 to £90,000	0	0
£90,001 to £100,000	0	0
£100,001 to £110,000	0	0
£110,001 to £120,000	<u>1</u>	<u>1</u>

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

Employer contributions to a defined contribution scheme for employees who earned over £60,000 was £24,042 (2022: £14,300).

Hampshire Cultural Trust
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Number of employees

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

2023	2022
<u>259</u>	<u>189</u>

During 2022-23, two new venues, The Arc and 878 AD, were added to the trust's portfolio. It should be noted that the employee numbers stated are a simple headcount, and not FTE. The trust employs a considerable number of part-time and casual hours workers which affects the headcount.

Trustees' Remuneration

£100 was remitted to one trustee in the year for their services to the trust (2022: £0)

£53.80 in expenses has been reimbursed to trustees in the year (2022: £0)

Hampshire Cultural Trust
Company number: 08986225

11 Intangible fixed assets

	2023	2022
	£	£
Cost at 1 April and 31 March	<u>2</u>	<u>2</u>

12 Tangible fixed assets

<u>Group</u>	Plant & machinery	Computer equipment	Fixtures & fittings	Leasehold improve- ments	Total
	£	£	£	£	£
Cost					
At 1 April 2022	40,491	61,470	398,189	166,862	667,012
Additions	14,955	-	643,529	-	658,484
Disposals	-	-	-	-	-
At 31 March 2023	<u>55,446</u>	<u>61,470</u>	<u>1,041,718</u>	<u>166,862</u>	<u>1,325,496</u>
Depreciation					
At 1 April 2022	21,395	51,705	231,153	49,128	353,381
Charge for the year	11,993	6,395	172,153	16,687	207,228
	0		-	-	-
At 31 March 2023	<u>33,388</u>	<u>58,100</u>	<u>403,306</u>	<u>65,815</u>	<u>560,609</u>
Net book value					
At 31 March 2023	<u>22,057</u>	<u>3,370</u>	<u>638,412</u>	<u>101,047</u>	<u>764,887</u>
At 31 March 2022	<u>19,096</u>	<u>9,765</u>	<u>167,036</u>	<u>117,734</u>	<u>313,631</u>

<u>Trust</u>	Plant & machinery	Computer equipment	Fixtures & fittings	Leasehold improve- ments	Total
	£	£	£	£	£
Cost					
At 1 April 2022	7,661	59,881	360,426	84,451	512,419
Additions	8,931	-	638,429	-	647,360
Disposals	-	-	-	-	-
At 31 March 2023	<u>16,592</u>	<u>59,881</u>	<u>998,855</u>	<u>84,451</u>	<u>1,159,779</u>
Depreciation					
At 1 April 2022	5,746	50,116	195,000	24,406	275,268
Charge for the year	3,032	6,395	169,910	8,445	187,782
Eliminated on disposal	-	-	-	-	-
At 31 March 2023	<u>8,778</u>	<u>56,511</u>	<u>364,910</u>	<u>32,851</u>	<u>463,050</u>
Net book value					
At 31 March 2023	<u>7,814</u>	<u>3,370</u>	<u>633,945</u>	<u>51,600</u>	<u>696,729</u>
At 31 March 2022	<u>1,915</u>	<u>9,764</u>	<u>165,427</u>	<u>60,046</u>	<u>237,152</u>

13 Fixed asset investments

<u>Trust</u>	Total
	£
Market value or cost at 1 April 2022 and 31 March 2023	<u>1,000</u>
Historical cost at 1 April 2022 and 31 March 2023	<u>1,000</u>

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

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14 Stock

	Trust £	2023 Group £	Trust £	2022 Group £
Goods for resale	0	149,413	0	130,206

Stock is valued at the lower of cost and net realisable value, after making provisions for obsolete and slow moving items.

15 Debtors

	Trust £	2023 Group £	Trust £	Re-stated 2022 Group £
Amounts due within 1 year:				
Trade debtors	87,768	90,287	175,675	192,048
Prepayments and accrued income	1,158,288	1,158,288	1,238,661	1,240,487
Other debtors	39,117	42,931	94,606	98,769
Intercompany account	38,394	0	0	0
	<u>1,323,567</u>	<u>1,291,506</u>	<u>1,508,942</u>	<u>1,531,304</u>

16 Creditors (amounts falling due within one year)

	Trust £	2023 Group £	Trust £	2022 Group £
Trade creditors	187,133	213,359	205,780	248,464
Tax and social security	43,127	109,030	67,244	68,623
Other creditors	473,541	480,952	406,714	413,123
Accruals	307,916	319,327	103,681	116,032
Intercompany account	0	0	169,520	0
	<u>1,011,717</u>	<u>1,122,668</u>	<u>952,938</u>	<u>846,242</u>

17 Deferred income reconciliation

	Trust £	2023 Group £	Trust £	2022 Group £
Balance brought forward	88,706	88,706	60,247	60,247
Amount released to the SoFA	(88,706)	(88,706)	(60,247)	(60,247)
Amount deferred in the year	133,907	133,907	88,706	88,706
Balance carried forward	<u>133,907</u>	<u>133,907</u>	<u>88,706</u>	<u>88,706</u>

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

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18 Analysis of changes in net debt

<u>Group</u>	2023	Cashflow	2022
Cash	1,255,325	(611,212)	1,866,537
Total	<u>1,255,325</u>	<u>(611,212)</u>	<u>1,866,537</u>

19 Analysis of net assets between funds

Group

Fund balances at 31 March are represented by:

Re-stated

	Unrestricted funds £	Restricted funds £	2023 Total £	Unrestricted funds £	Restricted funds £	2022 Total £
Intangible fixed assets	2	0	2	2	0	2
Tangible fixed assets	473,216	291,671	764,887	185,038	128,593	313,631
Current assets	1,500,937	1,195,307	2,696,244	2,400,668	1,127,379	3,528,047
Current liabilities	<u>(1,122,668)</u>	<u>0</u>	<u>(1,122,668)</u>	<u>(846,242)</u>	<u>0</u>	<u>(846,242)</u>
	<u>851,487</u>	<u>1,486,978</u>	<u>2,338,465</u>	<u>1,739,466</u>	<u>1,255,972</u>	<u>2,995,438</u>

Trust

Fund balances at 31 March are represented by:

Re-stated

	Unrestricted funds £	Restricted funds £	2023 Total £	Unrestricted funds £	Restricted funds £	2022 Total £
Intangible fixed assets	2	-	2	2	-	2
Tangible fixed assets	405,058	291,671	696,729	108,559	128,593	237,152
Investment assets	1,000	-	1,000	1,000	-	1,000
Current assets	1,377,819	1,195,307	2,573,126	2,246,428	1,127,379	3,373,807
Current liabilities	<u>(1,011,717)</u>	<u>-</u>	<u>(1,011,717)</u>	<u>(952,938)</u>	<u>-</u>	<u>(952,938)</u>
	<u>772,162</u>	<u>1,486,978</u>	<u>2,259,140</u>	<u>1,403,051</u>	<u>1,255,972</u>	<u>2,659,023</u>

Hampshire Cultural Trust
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20 Funds

Restricted Funds	Funder	Restated 1-Apr-22	Incoming YTD	Outgoing YTD	Fixed Asset Transfers	31-Mar-23
Arts Council England						
	Arts Council England - DFE Museums and Schools	29,263	64,800	64,805		29,258
	Arts Council England - Connecting Conversations	3,647		3,647		-
	Arts Council England - via Royal Pavilion & Museums Trust	563	75,282	65,255		10,591
	Arts Council England - Outdoor Arts	2,228				2,228
	Arts Council England - Gosport Redevelopment	10,000		10,000		-
	Arts Council England - Anglo-Saxon Winchester	50,866		20,563	(30,264)	39
	Arts Council England - Rushmoor Cultural Development	-	45,000	19,027		25,973
	Arts Council England - Gosport Cultural Development	-	45,000	9,843		35,157
	Arts Council England - CRF Sustainability Grant	209,647		209,647		-
	Arts Council England via HCC - WDC redevelopment	(37,833)	42,500	(15,158)	(3,369)	16,455
	Arts Council England - Keynotes	-	30,000	993		29,007
National Heritage Lottery Fund						
	National Heritage Lottery Fund - Still Curious	11,373				11,373
	National Heritage Lottery Fund - ICE	90,786		41,167		49,618
	National Heritage Lottery Fund - Forest Arts	2,657				2,657
	National Heritage Lottery Fund - Volunteering Project	-	25,000			25,000
	National Heritage Lottery Fund - Allen Development	-	285,591	70,925		214,667
	National Heritage Lottery Fund - Industrious Minds	28,299		28,299		-
	National Heritage Lottery Fund - Hunters and Gatherers	-	249,132			249,132
Other Grant Funding						
	The Engert Watford Motor Museum	-	200,000			200,000
	Garfield Weston Foundation	-	75,000	75,000		-
	Gosport Borough Council - Cultural Development - Arts in the Park	-	67,500	67,500		-
	Hampshire Futures	18,994	58,267	70,659		6,601
	Changing Places Grant	-	40,000	40,000		-
	Winchester City Council	-	75,000	75,000		-
	Syder Foundation	-	25,000	25,000		-
	Paul Hamlyn Foundation	84,818		44,322		40,497
	Gosport Borough Council	231,393		100,671	(133,384)	(2,663)
	HCC 878AD Grant	75,000		-	(75,000)	-
	Emergency Exit Arts	37,900		800		37,100
	Historic England via Gosport Borough Council - Cultural Consortium	103,343	3,000	37,690		68,653
	Other grant funding (below £25,000)	219,476	90,994	188,749	(45,693)	76,027
Donations						
	Donations below £25,000	83,552	117,845	129,500	(3,960)	67,936
Assets						
	Capital Depreciation Reserve	-			291,671	291,671
	Total	1,255,972	1,614,911	1,383,905	0	1,486,978

The capital depreciation reserve represents restricted grants received to finance capital expenditure. The grants have been recognised as restricted income in the Statement of Financial Activities, but the cost of the assets has been capitalised rather than recognised as expenditure. The reserve is reduced each year by an amount equivalent to the depreciation charged on these assets.

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Restricted Funds	01-Apr-21	Incoming YTD	Outgoing YTD	Transfers	31-Mar-22	Adjustment	Restated
	£	£	£	£	£	£	31-Mar-22
Arts Council England							
Arts Council England - DFE Museums and schools	36,430	64,800	71,967		29,263		29,263
Arts Council England - Connecting Conversations	3,647				3,647		3,647
Arts Council England - Gosport Redevelopment		90,000	90,000		-	10,000	10,000
Arts Council England - via Royal Pavilion & Museums Trust	(131)	75,891	75,196		563		563
Arts Council England - Outdoor Arts		15,000	12,772		2,228		2,228
Arts Council England - Anglo-Saxon Winchester		50,000	49,134		866	50,000	50,866
Arts Council England via HCC - WDC redevelopment		42,500	42,500		-	(37,833)	(37,833)
Arts Council England - CRF Sustainability Grant		319,500	145,353		174,147	35,500	209,647
National Heritage Lottery Fund							
National Heritage Lottery Fund - Still Curious	6,565		192		6,373	5,000	11,373
National Heritage Lottery Fund - Culture:Impact	9,104	(3,012)	6,092		-		-
National Heritage Lottery Fund - ICE Heritage		49,950	9,114		40,836	49,950	90,786
National Heritage Lottery Fund - Forest Arts		2,657			2,657		2,657
National Heritage Lottery Fund - Industrious Minds	16,662		2,775		13,886	14,413	28,299
Other Grant Funding							
Simpson Teddy Bear Legacy	88,916		30,283		58,633		58,633
Hampshire County Council - WDC Lighting Grant	7,518		7,518		-		-
Hampshire County Council - WDC redevelopment		43,148	43,148		-		-
Art Fund		45,000	45,000		-		-
The Foyle Foundation		60,000	60,000		-		-
Gosport Borough Council & HSHAZ Historic England - Gosport Redevelopment		332,412	332,412		-		-
Paul Hamlyn Foundation	139,718		54,900		84,818		84,818
British Museum - Portable Antiquities Scheme	6,995	24,785	20,984		10,795		10,795
Sport England Lottery Award (previously This Girl Can Community Fund)	6,700		4,299		2,401		2,401
Youth Endowment Fund	1,282				1,282		1,282
South Downs National Park Authority		7,500			7,500		7,500
Armed Forces Covenant Fund	19,939	7,967	10,487		17,419		17,419
South Western Railway	3,887	10,000	13,205		682		682
Historic England via Gosport Borough Council - Cultural Consortium		46,154	19,146		27,008	76,335	103,343
Winchester City Council	7,277				7,277		7,277
Museums Association - Ismee Fairbairn Collections Fund	24,740	7,110	18,338		13,512		13,512
Historic England - Inc WCC Publication reserve	6,825	31,780	21,617		16,987		16,987
Hampshire Achieves (previously Hampshire Futures)	17,558	33,183	31,747		18,994		18,994
Hampshire and IOW CRC	6,039	7,500	7,507		6,032		6,032
HMP Winchester	5,000	40,000	17,336		27,664		27,664
Friends of Gosport Museum	24,271		24,271		-		-
Gosport Borough Council	50,000		103,695	80,000	26,305	205,088	231,393
Friends of Aldershot Military Museum/TAG Rushmoor	13,542		5,003		8,539		8,539
HCC Contribution to the toilet refurbishment	17,006		1,859		15,147		15,147
HCC /HCT Partnership refurbishment of the Arc			9,098	10,000	902		902
HCC 87BAD Grant						75,000	75,000
Emergency Exit Arts						37,900	37,900
Other grant funding (below £5,000)	19,179	26,642	23,280		22,542	5,393	27,935
Donations							
Donations towards Wessex Dance Academy	11,250	5,000	1,250		15,000		15,000
Donations towards the Anglo-Saxon project	15,000	55,000	70,000		-		-
Novacyt		25,000	1,810		23,190		23,190
Friends of the Willis Museum		10,000			10,000		10,000
Donations (below £5,000)	23,979	31,445	23,294		32,130		32,130
Total	588,898	1,556,912	1,506,583	90,000	729,226	526,746	1,255,972

As referred to in note 2, various restatements have been made to grant income and expenditure on charitable activities for the year ended 31 March 2022. The impact on restricted funds at 31 March 2022, aggregating £526,746, is shown in the table above

Hampshire Cultural Trust
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Funder	Project	Details
Arts Council England - DFE Museums and schools	Reaching Out!	Project working with North Hampshire schools to increase museum engagement
Arts Council England - Connecting Conversations	Connecting Conversations	Research project on cultural engagement in Rushmoor
Arts Council England - via Royal Pavilion & Museums Trust	SEMDP	South East Museum Development Programme
Arts Council England - Outdoor Arts	Outdoor Art	3 pilot projects to catalyse new relationships between communities and artists.
Arts Council England - Gosport Redevelopment	Gosport Venue Investment	Support received to support the redevelopment of the Gosport Museum and Art Gallery
Arts Council England - Anglo-Saxon Winchester	Anglo Saxon Exhibition	Development of new Anglo Saxon attraction in Winchester
Arts Council England - Rushmoor Cultural Development	Rushmoor cultural development	Grant towards launching the Rushmoor Cultural Strategy and Rushmoor Cultural Compact
Arts Council England - Gosport Cultural Development	Gosport Cultural Development	Grant towards delivering the Gosport Cultural Strategy
Arts Council England - CRF Sustainability Grant	CRF Sustainability Grant	Cultural Recovery Fund Sustainability Grant
Arts Council England via HCC - WDC redevelopment	WDC Redevelopment	Support received to support the redevelopment of the Arc Winchester
Arts Council England - Keynotes	Keynotes project	Grass roots music programme at the Arts Centres
National Heritage Lottery Fund - Still Curious	ICE Heritage	Arts intervention programme working in partnership with Hampshire CAMHS
National Heritage Lottery Fund - ICE	Forest Arts	NLHF funded programme at Forest Arts Centre
National Heritage Lottery Fund - Forest Arts	Volunteering Innovation Project	Participation in Heritage Innovation Fund to develop a new volunteering strategy
National Heritage Lottery Fund - Volunteering Project	Allen Gallery Development	Funding programme for the development phase of the Allen Gallery redevelopment
National Heritage Lottery Fund - Allen Development	Industrious Minds	A project working with young people from the Eastleigh to engage with the industrial heritage of the town.
National Heritage Lottery Fund - industrious Minds	Hunters and Gatherers	An audit and research, collections based project funded by NLHF
National Heritage Lottery Fund - Hunters and Gatherers	Historic Vehicle Collection	Funding to support the repair of 3 historic vehicles and enhance the trusts public programme
The Engert Watford Motor Museum	Anglo Saxon Exhibition	Development of new Anglo Saxon attraction in Winchester
Garfield Weston Foundation	Gosport Cultural Consortium	3-year cultural programme, funding on behalf of Historic England as part of HSHAZ
Gosport Borough Council - Cultural Development - Arts in the Park	Brighter Futures	Programme of courses for adults with mental health issues
Hampshire Futures	Changing Places	Funding for a changing places toilet facility at Gosport Museum and Art Gallery
Changing Places Grant	Anglo Saxon Exhibition	Development of new Anglo Saxon attraction in Winchester
Winchester City Council	Anglo Saxon Exhibition	Development of new Anglo Saxon attraction in Winchester
Syder Foundation	Horizon 20:20	Paul Hamlyn funded programme working with 7 Education Centres across Hampshire
Paul Hamlyn Foundation	Gosport Venue Investment	The HSHAZ is a funded scheme administered by Historic England, focused on driving regeneration in the high street.
Gosport Borough Council	Anglo Saxon Exhibition	Development of new Anglo Saxon attraction in Winchester
HCC 878AD Grant	Hi! Street Fest	Funding for delivery of Hi! Street Fest on behalf of Historic England
Emergency Exit Arts	Cultural Development Gosport	Pilot of three roles development roles to progress cultural strategy with ACE
Historic England via Gosport Borough Council - Cultural Consortium		

Hampshire Cultural Trust
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21 Designated Funds

	2023	2022
	£	£
Winchester Anglo-Saxon experience	0	325,000
	<u>-</u>	<u>325,000</u>

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

In 2022, the board committed to invest in the development of a new exhibition in Winchester. Working in partnership with virtual and augmented reality specialists, the new attraction opened in November 2022. All designated funds have been spent at March 23.

22 Commitments and contingent liabilities

Neither the trust nor the group had any capital commitments at 31 March 2023 (2022: nil).

As referred to in note 1.12, the trust has participated in the Hampshire Pension Fund, a Local Government Pension Scheme, as the employer of Eligible Employees since their transfer to the trust from the Councils (Hampshire County Council and Winchester City Council) in 2014. According to the CTAs (Commercial Transfer Agreements) between the trust and the Councils, the trust is responsible for paying all employer contributions due to the Fund in respect of the Eligible Employees and any other sums due, including any deficit arising in respect of benefits accrued by them while employed by the Trust. However, the Councils have funded or reimbursed the trust for all such obligations paid since the transfer and are obliged to continue to do so, according to the CTAs, for a period of 25 years from the date of transfer or until funding from the Councils cease, if earlier, so long as the trust meets certain contractual conditions. Accordingly, the trust has not accounted for the Fund as a defined benefit scheme, but has treated it as a defined contribution scheme for accounting purposes.

At present, Eligible Employee membership includes 38 active members, 59 deferred pensioners and 27 pensioners. In the coming years the trust will need to confirm with the Councils how future pension obligations will continue to be reimbursed in light of the remaining period covered in the CTAs and the expected changes in Fund membership over time. The trust will need to understand any contingent liability arising, taking actuarial advice as appropriate and determine future actions that may be required to mitigate.

23 Operating leases

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

The museums and arts centres, and also the central office spaces are leased from the founding members and other local authorities, as agreed in the Management Funding Agreements. The lease terms are for 35 years and a peppercorn rent is payable. There are 26 years remaining at the balance sheet date. There are future commitments of £29,458 at the balance sheet date, relating to the remainder of the vehicle lease agreements.

In this financial year the trust has taken on an additional lease, 5 years with a 2 year break clause, for 878 AD, The Brooks Shopping Centre, Winchester.

24 Related party transactions

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

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

25 Taxation

All of the trust's income is applied for charitable purposes and is therefore exempt from corporation tax. The trust's trading subsidiary had a corporation tax liability of £nil at 31 March 2023 (2022: nil).

26 Ultimate controlling party

The ultimate controlling party is the board of trustees.

27 Funds held as custodian trustee on behalf of others

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

Hampshire County Council Collections

In 2022-23, a total of 44 acquisitions, either individual objects or associated groups of objects, were made to the Hampshire County Council museum collections.

The majority of acquisitions were made as gifts to the council at no cost. Two items were purchased, archaeological items acquired through the Treasure process, worth £270 in total.

7 objects or groups of objects were disposed of from the accessioned collections, all of which were associated with the social history collections.

Winchester City Council Collections

In 2022-23, a total of 24 acquisitions were made to the Winchester City Council museum collections.

The majority of items were made as gifts to the council at no cost. Only one item was acquired by purchase, worth £40. 1 object was removed from the accessioned collection during the year through the termination of an indefinite loan.

28 Prior Year Adjustment

During 2022-23 a prior year adjustment was made in respect of accrued grant income not previously recognised, and expenditure mis-allocated between restricted and unrestricted funds. The effect of this is outlined below:

- a) Accounting policies - the previously stated policy was updated for revised definition of timing of income recognition.
- b) Reconciliation of reserves - adjustments to previously reported reserves at the end of the comparative period are outlined in the table below.

Hampshire Cultural Trust
Company number: 08986225

	Group	Charity
	£	£
Reserves at 31 March 2022	2,430,859	2,094,444
Adjustment in respect of accrued grant income	564,579	564,579
Adj for mis-allocation of expenditure (Restricted)	(37,833)	(37,833)
Adj for mis-allocation of expenditure (Unrestricted)	37,833	37,833
Reserves as (restated) 31 March 2022	<u>2,995,438</u>	<u>2,659,023</u>

c) Reconciliation of comparative period income and expenditure is outlined in the table below.

	Group	Charity
Previously reported surplus/(deficit)	84,246	(250,592)
Adjustment in respect of accrued grant income	564,579	564,579
Adj for mis-allocation of expenditure (Restricted)	(37,833)	(37,833)
Adj for mis-allocation of expenditure (Unrestricted)	37,833	37,833
Surplus/(deficit) (as restated) 31 March 2022	<u>648,825</u>	<u>313,987</u>

HAMPSHIRE CULTURAL TRUST

England & Wales - Charity number 1158583

Accounts

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

**TRUSTEES' ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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

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Hampshire Cultural Trust
Company number: 08986225

Trustees' Report

Reference and Administrative Details

Company registered number	08986225
Charity registered number	1158583
Registered office and principal address	Chilcomb House, Chilcomb Lane, Winchester SO23 8RD
Contact number	01962 678140
Website	www.hampshireculture.org.uk
Directors and Trustees	Alan Lovell (Chairman) Emma Back Rachel Bebb Robert Boyle Peter Cardy OBE Yinnon Ezra MBE Paula Ferguson (resigned 19 May 2021) Keith Mans (appointed 18 November 2021) Anthony McNaughtan (appointed 1 July 2022) Roy Perry (resigned 24 September 2021) Michael Southgate James Winkworth Anna Blackman Lucille Thompson (appointed 30 July 2021) Helene West
Company Secretary	Victoria Donkin
Chief Executive	Paul Sapwell
Auditors	Azets Audit Services Carnac Place, Cams Hall Estate, Fareham, PO16 8UY
Principal Bankers	Natwest Bank 105 High Street, Winchester SO23 9AW
Solicitors	Paris Smith LLP 11 London Road, Southampton SO15 2AE

Trustees' Report

Report of the Trustees (incorporating the Directors' report) for the year ending 31 March 2022

The trustees are pleased to present their annual report together with the consolidated financial statements of Hampshire Cultural Trust ("the trust") and its one subsidiary, Hampshire Cultural Trust Trading Limited ("the trading company"), for the year ending 31 March 2022.

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

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

Chairman's Report 2021-22

At the beginning of April 2021, we found ourselves in a similar position to much of the previous year: with our museums, galleries and arts centres closed during another lockdown.

At the first possible opportunity, however, we opened our doors and welcomed visitors back to our venues. And what a welcome it was. We were thrilled that Culture Minister, Caroline Dinenage, visited Milestones Museum to officially open Mr. Simpson's Teddy Bear Museum and the newly rejuvenated Victorian Pier. The conservation work on the 250 bears that now reside in the museum attracted a much-deserved nomination in the *Restoration or Conservation Project of the Year*

Trustees' Report

category in the Museum and Heritage Awards, while the incredible transformation of the retail offer at Milestones saw it named as *Best Museum or Visitor Attraction Gift Shop* in *The Greats* Gift Retailer Awards.

We were soon able to restart our programme of events, exhibitions and activities. Exhibitions included a retrospective of the works of author-illustrator Raymond Briggs and a tribute to Tolkien, *The Magic of Middle-Earth*, while our *Extraordinary Everyday* exhibition, celebrating the art and design of Eric Ravilious, gained plaudits and praise from visitors and press alike. At our three arts centres, customers embraced returning to classes and workshops, but were more cautious returning to live performance: in response, our programme was adapted to include outdoor performance while restrictions remained in place over the summer.

Our social impact projects continued to reach those most at need in our communities. Our sector-leading Horizon 20:20 project completed its fifth year. During this time, the programme has improved 1,200 young people's experience of arts and culture, helping them to build positive relationships and find inspiration for future career opportunities. The two-year ICE Heritage Project to promote positive mental health in young people started in September, continuing our successful partnership with Hampshire Child and Adolescent Mental Health Service. As Wessex Dance Academy approaches its 10th anniversary, I'm proud to report that a commissioned study has demonstrated that, of those who complete the programme, 85% return to school or college or find employment.

Despite the shadow of the pandemic, we made significant progress on three major capital projects. Gosport Gallery closed its doors in preparation for refurbishment works to start its transformation into Gosport Museum and Art Gallery. Our plans to create an Anglo-Saxon experience in a unique partnership with Ubisoft, creators of *Assassin's Creed*, also moved forward at pace. Our crowning achievement of the year was taking on operational responsibility for Winchester Discovery Centre, renamed The Arc: a place for the community to come together to enjoy arts, culture and reading under one roof in the heart of Winchester. The completion of this project was an outstanding achievement by all those involved, and we were honoured to welcome HRH The Prince of Wales to declare the building officially open on 3 March.

Our status as a charity is more crucial than ever. During the year we secured more than £2 million in fundraised income. This included £480,000 from the second and third rounds of the government's Culture Recovery Fund and, in addition, we were one of just 11 charities nationwide to receive an Arts Council England Sustainability grant which will enable us to invest in organisational development to support recovery and ensure a more resilient future.

We made great strides in our commitment to environmental sustainability during the year. Energy audits were undertaken at 12 of our venues, photo voltaic solar panels were installed at four, and we launched our environmental policy and action plan, with our target of becoming carbon neutral by 2030 at its heart. We undertook the Best Companies b-Heard employee engagement survey for the second time and were delighted to achieve both One to Watch status and the position of 12th best charity to work for in the quarterly 2021-22 league table.

2021-22 was undoubtedly a year that once again challenged us all as we put the pandemic behind us and looked ahead to some form of normality. Our achievements in the face of these challenges have been astounding. I would like to thank our funders, partners, visitors and donors for their support during the year and I remain immensely proud of the dedication, creativity and passion that the

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team of staff and volunteers has demonstrated. Having put the pandemic behind us, the current economic climate presents us with yet another challenge as we look to the year ahead. Despite this, we are determined to remain resilient, provide exceptional experiences and deliver social and economic change through inspirational cultural activity.

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STRATEGIC REPORT

Achievements and performance

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

GOAL ONE

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

- We started a new financial year with the expectation that we would soon be putting the pandemic behind us. Venues re-opened at the first available opportunity in mid-May, having been closed since Christmas
- We continued to stay connected with our audiences through our online magazine, *Culture on Call*. We published creative and engaging multi-media content, with 200 articles showcasing the scope and diversity of our physical offer. From features about our collections and exhibitions, to initiatives aimed at the most vulnerable people in our communities, this digital programme is now a permanent feature in our online presence
- Despite our venues remaining closed until mid-May, we welcomed 236,384 visitors through our doors. Although these numbers were significant, the impact of the pandemic was still evident, with visitors reaching approximately 52% of 2019-20 levels
- Our total digital engagement, which includes a combination of website sessions and social media impressions, was 11 million, an increase of 2.5 million on the previous year
- Our PR programme secured 750 pieces of positive publicity. Media coverage included BBC South, *The Times*, *The Guardian*, *The Spectator* and *The Artist*, as well as the front cover of and a five-page feature in *Country Life* for *Extraordinary Everyday: The Art & Design of Eric Ravilious*
- The official opening of The Arc by HRH Prince Charles achieved national coverage, from *The Daily Mail* to *The Independent* and *Evening Standard*, regional coverage from Belfast to Yorkshire and Guernsey and extensive coverage in local media outlets
- Our physical programme opened with *Raymond Briggs: A Retrospective*, on tour from House of Illustration at The Gallery, Winchester Discovery Centre. This was the first ever exhibition dedicated to the author-illustrator behind some of the most popular and influential children's books and graphic novels ever published. This was followed by *Paul Joyce: A Life Behind the Lens* commemorating his long and illustrious career spent in the company of the likes of David Hockney, Dennis Hopper and Sophia Loren
- The *Extraordinary Everyday: The Art & Design of Eric Ravilious* exhibition explored the career of Eric Ravilious, with a diverse selection of key watercolours, prints, books and ceramics. The exhibition was drawn from multiple lending institutions across the UK such as Aberdeen Art Gallery and Museums, Victoria and Albert Museum and the Towner Collection, and included many items on loan from private lenders

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- Exhibitions in City Space included Jonny Hannah's *Darktown Dinner and Dance* showcasing Hannah's pop culture illustrations, while the celebratory exhibition *In the Making* showcased artwork created by young people participating in the *Horizon 20:20 More and Better* programme which applies creativity to re-engage young people in learning
- Milestones Museum of Living History saw the official opening by Minister of State for Digital and Culture, Caroline Dinenage, and MP for Basingstoke, Maria Miller, of two new permanent attractions, a Victorian seaside pier with an interactive penny arcade and Mr. Simpson's Teddy Bear Museum, featuring 260 teddy bears bequeathed by the late Bill Simpson
- Over the course of the year, Milestones Museum welcomed 5,949 school students, accompanied by over 1,000 teachers and helpers. Many schools were excited to be able to schedule excursions, and the museum was once again filled with many excited young visitors. We were also able to offer curriculum-themed loans boxes from the museum for the first time, allowing teachers to extend their hands-on learning experiences into the classroom before and after visits
- In the Sainsbury Gallery at the Willis Museum, the flexibility of our lenders and partners meant that we were able to reschedule the full 2020 programme. We opened with a print exhibition from the Hayward Gallery, *Matisse: Drawing with Scissors*, featuring 35 lithographic prints of Matisse's famous paper cut-outs. This was followed by *The Magic of Middle Earth*, an exhibition bringing together an extensive collection of *Lord of the Rings*, ephemera, and *The Art of W. Heath Robinson*, showcasing the artist's humorous drawings, ceramics and scenic and still life works
- The Willis team partnered with Basingstoke Unites Against Racism for an inaugural photography exhibition, *21 Portraits*, to mark Black History Month. The photographs, taken by community members, feature key achievements of those working for more diverse and inclusive communities in Basingstoke. The project was launched with a full-scale projection on the façade of the building, supported by Basingstoke and Deane Borough Council
- At our gallery in Gosport, we re-opened in May with *Gosport Past and Present*, an exhibition featuring the work of local artists and school students inspired by the Stokes Bay area
- With Gosport Gallery closed for building works, the team moved the delivery of school workshops to the Submarine Museum and sourced alternative venues for activities and events. With support from Gosport Borough Council and Historic England, through its High Street Heritage Action Zone scheme, we opened a pop-up shop in the High Street, this will remain open until the refurbishment of the Old Grammar School is complete in autumn 2022
- With significant COVID-19 restrictions in place throughout much of the year, our three arts centres used outdoor programming over the summer to welcome back show audiences, hosted in partnership with Rockbourne Roman Villa and Wellesley Woodlands. By the end of the autumn, the live performance programme had gathered momentum, with sold-out shows from both local artists, such as Black Box Theatre, alongside popular music acts including St Agnes Fountain and comedy shows from Gary Delaney and Andy Zaltzman
- In our Community Museums, we opened four new collections-based exhibitions: an exploration of Anglo-Saxons in *Monsters, Myths and Magic* at Red House Museum in

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Christchurch; the history of policing, crime and punishment in Hampshire in *It's a Fair Cop* at Andover Museum; a look at how women adopted men's clothing in *Function, Fashion and Freedom* at Westbury Manor Museum in Fareham, while *Dawn to Dusk* at the Allen Gallery in Alton explored the work of artist, W.H. Allen

- Thanks to funding from a Christchurch Town Council Community Grant, the Friends of the Red House Museum worked with us to fund an artist commission to mark the museum's 70th anniversary. The project involved a community consultation process for the design of a new mosaic mural for the museum foyer and a series of daily, free community mosaics workshops over one week in July. The new artwork was unveiled by the town's Mayor during the Friends of the Red House Museum's Garden Party
- Through a partnership with the Hampshire and Isle of Wight Modern Slavery Partnership, we launched *Modern Slavery*, an exhibition designed to be an emotive and thought-provoking journey through the compelling stories of modern slavery survivors from the local area. The exhibition opened at Eastleigh Museum and will tour to further community museums in 2022-23
- A first phase application was made to the National Lottery Heritage Fund for the redevelopment of the Allen Gallery in Alton. Our vision is to transform this venue into a thriving heritage hub. Building on the venue's outstanding ceramics collections and gardens, as well as its established volunteering programme, we aim to involve local people in shaping an offer that is attractive and relevant to all ages and backgrounds
- At Bursledon Windmill, the stocks and sails were removed due to the wear and tear of daily operation. A community fundraising campaign raised nearly £10,000 to support the work of assessing and repairing them prior to reinstating them and helping the mill get back to full working order
- Collections management is a critical part of enabling our high-quality public engagement programme. Our work behind the scenes for Mr. Simpson's Teddy Bear Museum at Milestones Museum received national recognition as a nominee in the *Museums & Heritage Awards* Conservation Project of the Year category
- Managing information about the collections we care for is key to making them widely accessible. During the year, our team of staff and volunteers made structural improvements to our database, while also including over 4,000 new images, adding 4,600 new records, and updating 2,500 existing object files
- Direct public access to our collections continued to be high given the practical limitations. Our collections are available online on a dedicated website which received over 120,000 views last year. In addition, we responded to 675 public enquiries, which ranged in scope from checking local history details to arranging in-person access to our stores and archives. We also helped to protect the archaeology of Hampshire, recording over 694 metal detecting finds and declaring 56 treasure cases

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GOAL TWO

To improve wellbeing, health and happiness through cultural experiences

- The work we do with the most vulnerable in our community is at the core of our purpose, changing lives through culture. We continue to work with key partners such as Hampshire CAMHS (Child and Adolescent Mental Health Services), the National Probation Service and support organisations like Combat Stress and local Recovery Colleges. This work provides cultural engagement for a range of communities that includes veterans, older people living with dementia, adults and young people with mental health issues and people either in prison or on probation. During the year we ran 12 social impact programmes, working with 34 partners and 688 participants
- **Brighter Futures**
Brighter Futures is a social prescribing programme with local health and community providers which supports adults with mental health needs, funded by Hampshire County Council's Adult Community Learning. In 2021-22, the programme was delivered in Rushmoor and Fareham, offering both in-person and online opportunities for adults to access a variety of courses such as poetry for wellbeing, needle felting and jewellery making. For the first time the programme offered courses suitable for adults with learning difficulties, delivering mixed media collage and dancing fitness courses. These courses aim to build confidence, develop emotional resilience and provide opportunities for people to connect with other people in their local community. During the year we worked with 245 participants on 33 courses
- **Still Going – Red House Museum**
Red House Museum delivered *Still Going*, funded by Sport England, creating new health and wellbeing programmes. These included the launch of women's wellbeing walks, a gardening project, as well as gentle yoga and seated yoga in the museum gallery. To date, 20 women who would most benefit from taking part in more physical activity have been involved
- **Still Strolling Dementia-Friendly Walks**
In July 2021, the Red House Museum, with the help of volunteers, was able to relaunch its Dementia-Friendly Heritage Health Walks for people with dementia and their carers. Since August 2021, there have been 340 instances of people taking part in the museum's dementia-friendly programme, including 120 people who have taken part in object handling sessions in collaboration with Bournemouth, Christchurch and Poole Carers Network and Highcliffe Dementia Support Group
- **Health and Wellbeing**
With support from the Armed Forces Covenant Fund, Aldershot Military Museum has been able to continue its work with veterans, delivering online, weekly sessions exploring a wide range of museum objects, which participants have researched and interpreted, creating their own responses through artwork and poetry

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- **ICE Heritage**

ICE Heritage (Inspire, Create and Exchange) is a two-year project, funded by the National Lottery Heritage Fund and Sussex NHS Partnership Foundation Trust and developed through the continued successful partnership with Hampshire Child and Adolescent Mental Health Services (CAMHS). The project aims to address and explore important mental health issues in young people using creative engagement with local heritage as well as working with artists to explore themes such as identity and self-care, creating exhibitions to share with local communities

- **Horizon 20:20**

Horizon 20:20 is our ambitious arts-intervention programme, using regular, engaging arts and cultural activity to achieve positive social outcomes for vulnerable young people who have been excluded from mainstream school, or cannot cope in a mainstream learning environment. With thanks to emergency funding from Paul Hamlyn Foundation and additional support from Garfield Weston Foundation, Horizon 20:20 has continued into its sixth year. During that time, it has supported 1,200 young people to build positive relationships, improve communication, increase creativity and find inspiration for future career opportunities. The programme has taken place at 30 cultural venues working with 100 artists and organisations across seven Alternative Education settings (pupil referral units) in Hampshire

- **Reaching Out!**

Reaching Out! Is a North Hampshire Museum Education Partnership between four of our museums, two external partners and The Science Museum. The project, funded by Arts Council England and the Department for Education, continues to reach out to schools in North Hampshire that have above average indices of deprivation. Completing its sixth year, the project reached 721 students from 13 target schools with a 10% Pupil Premium or higher. 68 children also completed their Arts Award Discover level

- **On the Move!**

With support from the Museums Association and Esmee Fairbairn Foundation, we continued our ambitious On the Move! Project, combining working with our collection of historic, vintage and agricultural vehicles with supporting men recovering from mental health crises. Participants have researched objects, improved digital catalogues and shared their findings online and in our museum displays

- **Wessex Dance Academy**

As Wessex Dance Academy approaches its 10-year anniversary, a study was commissioned to understand the impact the contemporary dance programme has had on its participants. The evaluation demonstrated the Academy's effectiveness in positively influencing participants' self-esteem, physical fitness and self-care, learning, achievement of goals, relationships, communications, empathy and resilience. Of those who complete the programme, 85% return to school, college or find employment

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GOAL THREE

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

- With many funders only gradually re-opening their funding streams following the pandemic, it was essential to take every opportunity to help support recovery as well as fund upcoming programmes. During the year we secured £2,107,112 in grants and donations including £480,000 from the second and third rounds of the Culture Recovery Fund to cover core operating costs in the absence of earned income. In addition, we were one of only 11 organisations in the country to secure an Arts Council England Sustainability grant of £355,000. With the addition of Gift Aid, a total of £2,246,927 in fundraised income was secured
- We raised £430,000 towards our long-term ambition to create the UK's first attraction dedicated to Anglo-Saxon heritage, planned to open in October 2022. Concept designs were developed and are the result of a unique collaboration with video-gaming and technology innovators, Ubisoft, creators of the Assassin's Creed Valhalla video game
- We took on responsibility for the management of Winchester Discovery Centre, renamed The Arc. Working closely with Hampshire County Council, a joint vision was created for the venue as a place to come together to experience arts, reading and community under one roof, in the heart of Winchester. Following a period of internal refurbishment, a welcoming environment was created for visitors, encouraging participation and exploration. A new brand identity, website and cultural programme were launched, maximising income generation potential
- We worked closely with the Licoricia of Winchester Appeal and Hampshire County Council on the installation of the bronze, life-size statue of Licoricia of Winchester outside The Arc on Jewry Street, the historic centre of the city's Jewish community and where prominent medieval Jewish woman Licoricia was known to have lived. The statue, designed by award-winning sculptor Ian Rank-Broadley, is a symbol of tolerance, diversity and sanctuary. HRH the Prince of Wales visited the statue and officially opened The Arc in March 2022
- Throughout the year we reached significant milestones in the redevelopment of Gosport's Old Grammar School. A fundraising total of £1,210,000 was reached, with funding secured from Arts Council England, the Foyle Foundation and Changing Places, who join Historic England and our local authority partners, Hampshire County Council and Gosport Borough Council, in contributing to this project. We also raised £10,000 through our Tag-A-Tile community fundraising campaign, which saw individual donors contributing to inscribe a tile in the new courtyard. Planning permission for the redevelopment was confirmed, with specialist designers, Hara Clark, appointed to lead on the design of the new museum and to support on the associated community engagement programme. Work on site commenced in early 2022
- As the lead partner for the Gosport Cultural Consortium, the trust has secured £100,000 from Historic England to enable the delivery of the Gosport Cultural Programme, in association with the High Street Heritage Action Zone. This has seen the establishment of a retail offer for local artists and makers and the start of a new, annual creative grants programme
- The trust continued to play a broad role in supporting the wider development of arts, culture

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and heritage in Gosport. The trust is an active member of the Place Board and played a central role in working with Gosport Borough Council and Arts Council England to commission a new cultural strategy for the region. The trust has also been commissioned as the lead delivery partner for the first stage of the strategy, receiving funding to engage a new team that commences work in mid-2022. The trust also worked with other local authorities, including Basingstoke and Deane and Rushmoor, on consultation for their respective cultural strategies

- We were successful in securing funding from Arts Council England to test three models of co-creation across our arts centres. Learning from this has helped inform our plans for our National Portfolio Organisation application in 2022
- The trust was a supporting partner in the New Forest Creative People and Places bid to Arts Council England, securing £1m over three years for community-led programming in the region
- We received more than £30,000 in donations at our venues and a single gift from the Friends of the Willis Museum of £10,000, which will help leverage further funds to enable planning for redevelopment works at the museum to commence
- Our fundraising team prepared an application to join Arts Council England's new National Portfolio group of regularly funded arts organisations, museums and libraries for 2023-26. The application focuses on Arts Council England's priority places for investment: Rushmoor, Gosport and the New Forest
- We developed an IT strategy to ensure a robust and flexible infrastructure for the long term and successfully migrated our systems to a cloud-based environment, creating an efficient, resilient and cost-effective business system platform. In addition, we increased the flexibility of our workforce by fully embracing hybrid working with greater use of video conferencing technology, underpinned by a trust-wide network upgrade
- To consolidate our ticketing platforms and customer data sources, we implemented Spektrix, a sector-leading ticketing and CRM platform. This has streamlined our disparate customer and donor management systems, improved our customer booking experience and reduced processing and payment costs
- With the implementation of Spektrix, we also made significant changes to five of our seven websites, improving online functionality and enabling cross-promotional opportunities for tickets, donations and merchandise. In addition, we launched arcwinchester.org.uk ahead of the venue opening in February
- We completed two further volumes of the Winchester Archaeology series: *Roman Pottery from Winchester's Suburbs* and *Defences and Excavations at Hyde Abbey*. Both volumes are now available in our shops and for the first time the entire series is available to order online
- A review by the publication *Museums Journal* placed Hampshire Cultural Trust in the Top 10 heritage organisations nationally for acquiring treasure finds – important archaeological objects that would otherwise be lost to the public
- We started a contemporary collection to commemorate the pandemic, keeping objects that will, in the future, help us understand how people in Hampshire battled with COVID-19
- The refurbished Milestones shop was declared Best Museum or Visitor Attraction Gift Shop in

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The Greats Gift Retailer Awards

- We developed our Environmental Policy and Environmental Action Plan to support our aim of reaching carbon neutral status by 2030. Recommendations from energy audits conducted at 12 of our venues resulted in 433 solar photovoltaic panels being installed on the roof of Milestones Museum. Installation of the panels was coordinated by Hampshire County Council and funded by the government's Public Sector Decarbonisation Scheme, with the equivalent of half of the annual electricity use for this site now coming from a renewable, zero-carbon energy source
- We introduced the role of Environmental Sustainability Manager to support the embedding of our environmental strategy into our organisational culture and commissioned a biodiversity study of our venues with green spaces. This will assist us in identifying and maximising opportunities for developing ecosystems and promoting biodiversity through our county-wide programming

GOAL FOUR

To create fulfilling employment and volunteering opportunities through culture

- Our people are our most valuable asset. This was demonstrated in the support we provided throughout the pandemic to our team of more than 200 staff and 400 volunteers. Throughout the uncertainty of the pandemic, we continued to top up employee salaries to 100%. We also maintained regular, frequent communication and supported remote and flexible working. We set up four lateral flow test collection sites across our venues and provided guidance and training about returning to the workplace to staff and volunteers
- We have permanently enhanced support for employees' work-life balance through the development and launch of our new Flexible Working Policy and Working from Home Guidance. We are proud to take a positive and enhanced approach to flexible working requests: employees can request flexible working from day one of employment and make up to two formal requests for flexibility per annum
- We launched a new Sick Pay Policy that offers improved contractual sick pay to all employees. We also launched a new Sickness Absence Management Policy and provided training to our line managers to develop capability to support the health, safety, wellbeing and attendance of all employees
- We have invested in mental health first aid training for 16 employees to become qualified Mental Health First Aiders in support of staff, volunteers and visitors
- Throughout the pandemic, we continued to recruit and are delighted to have welcomed both new employees and casual members of the team during the year
- We launched the Insights Discovery© framework with a number of our teams and venues. The framework is a four-colour model which helps people understand more about themselves and others. The sessions have driven an increase in self-awareness and support our people to build stronger relationships
- We undertook the Best Companies b-Heard employee engagement survey for the second

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time. We are delighted to have achieved One to Watch status and 12th best charity to work for position in the Q3 2021-22 league table

- We launched our first People Information System, TrustHub, which empowers our staff by providing self-service to employees and managers. The system has improved our internal processes, professionalism, efficiency, documentation and reporting
- We created new digital volunteering opportunities for research into our historic vehicle collections. 20 volunteers from across the country helped us digitise our collections records, gaining valuable experience for their future careers and keeping them occupied during the challenge of lockdown
- The Milestones and Basing House team welcomed a new Volunteer Manager, whose focus is growing volunteer opportunities and experiences across the two venues. Throughout the year, we welcomed some new, specialist volunteer roles for, amongst others, Mr. Simpson's Teddy Bear Museum and the Milestones Pier, as well as a new volunteer beekeeper at Basing House

Our Supporters

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

Financial review

Due to the reopening of our venues following the COVID-19 closures, income from charitable activities has increased by 225% from £321,785 to £1,044,944. Visitor levels are still behind pre-pandemic levels, averaging at 60% of 2019-20 levels since reopening. However, admissions yield continues to outperform pre-pandemic years due to a higher percentage mix of new visitors, and retail and catering spend per head has also remained high largely due to investments made in Milestones before the pandemic.

Hampshire Cultural Trust Trading Limited is showing a profit for the year of £334,839. The available taxable profits of the trading company will be Gift Aided to the trust during the next financial year.

The principal source of funding remains with our founding members Hampshire County Council and Winchester City Council, contributing 34% to income (44% in 2020-21). Other local authority income contributed 6.0%.

During 2021-22, the trust has benefitted from government support through business grants and the CJRS Furlough scheme. Alongside this, the trust was successful in securing funding through the second and third rounds of the government's Culture Recovery Fund, as well as securing £355,000 Sustainability grant funding through Arts Council England. In total, we have received £1,093,000 in 2021-22.

The trust achieved a consolidated surplus for the year to 31 March 2022 of £84,246 (2021: £419,810). The trust's total reserves at 31 March 2021 were £2,430,859 (2021: £2,346,613).

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Despite the surplus achieved in the year, our closing cash position has decreased to £1,866,537 (2021: £2,068,150), a decrease of £201,603. The decrease in cash in the year is largely due to capital investment projects across our venues.

Unrestricted net assets are £1,701,632 (2021: £1,757,715), £1,516,594 is held as net current assets and available for immediate use as free cash reserves.

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

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

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

Reserves Policy

The trust holds reserves primarily to protect itself from the impact of unexpected variations in income and expenditure. Significant variations in income may arise, for example, from a major incident at the trust's main income-generating venue, or through delays in receipt of project grants, or a global pandemic, such as the one we have experienced through 2020-21. In addition, an incident such as a fire may result in additional costs being incurred, which the trust may have to finance from its own funds before any recovery from third parties.

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

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

Under this policy, bearing in mind Charity Commission guidance, the trustees consider an appropriate level of reserves to be approximately £1,000,000, although significant variations may arise year to year. As at 31 March 2022, the group's total unrestricted funds were £1,701,632 which, after deduction for amounts invested in fixed assets (£185,038), equates to reserves of £1,516,594 and £729,227 restricted reserve, of which £128,593 relates to restricted tangible fixed assets. As above, the free cash reserves are £1,516,594; the accumulation of this level of reserves reflects the

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trustees' caution in the current economic climate and the prudent financial management of the trust. This has enabled the trust to adapt and respond to the COVID-19 pandemic, and to continue to invest for the future.

The trust is continuing to invest in its portfolio, its infrastructure and its people. These investments will continue to enhance the revenue generation of the venues and activities of the trust; to ensure a more diverse and resilient portfolio of funding sources; and to maintain the level of reserves in line with the trust's reserves policy. During the year, the trustees have agreed to designate some of the unrestricted funds for projects, as shown in note 21 to the financial statements. A total of £325,000 is designated for committed projects, leaving unrestricted funds available for the core operating activities. The designated funds at 31 March 2022 relate to future income generating projects.

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

Principal Risks

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

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

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

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

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

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- safeguarding policies to be reviewed and issued, DBS checks for all staff involved in regulated, unsupervised activity as highlighted in the safer recruitment policy;
- holding the appropriate level of reserves as detailed in the reserves policy;
- continual development of the operational risk register with a wider scope and frequent monitoring; and
- holding appropriate insurance cover including, business interruption, property, employers' liability, professional indemnity, public and products liability, collections, fleet and cyber.

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

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Plans for future periods

- As we start to put the pandemic behind us, we look forward to an exciting and challenging 2022-23, with major projects coming to fruition. Although still in a period of recovery, we remain committed to our ambition to place culture at the heart of social and economic change and aim to demonstrate the positive impact that our programmes, projects and partnerships have on people's wellbeing, health and happiness. Our organisational goals will continue to focus on social impact, the quality of our offer, achieving financial resilience and our people
- We will continue to invest in organisational development through Arts Council England's sustainability grant, which will focus on: upgrading our IT infrastructure; training and wellbeing initiatives; establishing a strategy and action plan for our Equity, Diversity and Inclusion goals; improving our environmental sustainability and broadening income generation possibilities
- We will submit an application to join Arts Council England's new National Portfolio group of regularly funded arts organisations, museums and libraries for 2023-26
- Our exhibition programme will include *Out of the Blue* in The Gallery at The Arc, celebrating the work of influential design company, Designers Guild. This will be followed by *Infinite Beauty*, a unique, self-curated exhibition drawing on artworks held in private collections throughout the county by artists including Andy Goldsworthy, Chris Drury and Elizabeth Frink
- *A Farewell to Art: Chagall, Shakespeare and Prospero*, a touring exhibition of a rare, limited-edition portfolio by Marc Chagall, features 50 illustrations created to reflect his interpretation of *The Tempest*, while *Sin*, a touring exhibition from The National Gallery, will explore the concept of sin in art over the centuries by bringing together works of art from Bruegel and Velázquez to Andy Warhol and Tracey Emin
- The Sainsbury Gallery at the Willis Museum will exhibit a curated selling show of works from members of the Hampshire and Berkshire Guild of Craftsmen; large-scale, fantastical sculptures in *Mythomania*; the premiere of the annual *Trinity Buoy Wharf Drawing Prize* and an opportunity for audiences to step inside our collections with a display of historic shoes
- Our venue in Gosport will re-open after extensive refurbishment work to bring the building back into full use for the Gosport community. Re-named Gosport Museum and Art Gallery, the newly renovated historic building will feature a permanent museum documenting Gosport's history through the eyes of the people who live there, a new café, a new community gallery, improved learning rooms and a prominent entrance onto the High Street, with a new, accessible walkway linking the café and museum to the gallery. An artist commission has confirmed nationally renowned Portsmouth artists, Heinrich and Palmer, as exhibitors for the venue's re-opening, anticipated for autumn 2022
- In a unique collaboration with global video-gaming company, Ubisoft, and UK creative innovation studio, Sugar Creative, we will launch 878 AD, a new, immersive and interactive experience using digital recreations of Anglo-Saxon Winchester from the *Assassin's Creed: Valhalla* video game

Trustees' Report

The attraction, located in Winchester's Brooks Shopping Centre, will open in autumn 2022 and visitors will discover everyday life in Anglo-Saxon Winchester through cinematic projections, interactive displays, historic artefacts and live performance. An interactive app will extend the immersive journey across the city, using a combination of augmented reality technologies and geo-located content to bring history to life. Using the battle of Edington in 878 AD as the backdrop, visitors will explore themes such as warfare, religion, language, food, money, music, trade and games. A parallel educational programme will be developed, creating activities for schools and focussing on literacy through gaming and lifelong learning

- Our arts centres will continue making progress on our pledge to achieve 50% representation of women and gender minorities in our live performance programme by International Women's Day 2023. This will include all-female comedy showcases, music events, theatre performances and workshops
- An options appraisal for the potential redevelopment of Andover Museum and The Museum of the Iron Age will be commissioned. This will include a community consultation to gather feedback and ideas for the museum's future
- Funding has been secured through the Ministry of Justice which will enable us to continue working with HMP Winchester to deliver creative, active and participatory workshop programmes to have a positive effect on prisoners' attitudes, thinking and behaviour
- Our work with and funding from the National Probation Service will continue in 2022-23 to deliver programmes for both women and men on probation
- We will continue to plan for a sustainable and more accessible future for our museum stores and supporting facilities, such as workshops and laboratories. Our programming team will start to develop a project on how we manage our stores and develop our collections so that a move to improved accommodation in the future could be feasible
- We will launch our Equity, Diversity and Inclusion strategy and action plan to support our aim to recruit and retain a diverse workforce that reflects the communities we serve and seek to engage
- We will start our first Management Development Programme in partnership with Cegos, an international leader in professional and continuing education, with 16 managers developing their capability in the areas of self-awareness, resilience, prioritisation, leadership, building trust, high performance, dealing with challenges and presentation skills
- We will continue to lay the foundations for and make progress towards accreditation of our volunteering experience through *Investors in Volunteers*
- 2022-23 will see the launch of our new employer brand identity, which will strengthen our ability to attract and retain talent

Structure, governance and management

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

Hampshire Cultural Trust
Company number: 08986225

Trustees' Report

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

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

The trust has one wholly-owned trading subsidiary, Hampshire Cultural Trust Trading Limited ("the trading company"). The objective of the trading company is to generate income to support the charitable objectives of the trust. It carries out commercial activities that complement the charitable objectives of the trust. The trading company will pay an amount equal to its distributable reserves each year to the trust under the Gift Aid scheme. The relationship between the charity and the trading company is reviewed annually by the Finance, Investment and Audit Committee and the board of trustees.

Appointment of trustees

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

As the trust approaches its eight-year anniversary, several founding trustees will soon reach the end of their eight-year term. To develop an effective succession plan and manage the recruitment process, in September 2021, the board of trustees agreed to establish a Nomination Committee. The committee will identify candidates and recommend them for board approval, ensure that there are effective frameworks and process for appointments, ensure plans are in place for succession to both the board, its sub-committees and the Chief Executive position, and oversee the development of a diverse pipeline for succession.

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

The induction process is led by the Company Secretary, in consultation with the Chair of the board, Chief Executive and Director of People. A trustee handbook, code of conduct and training framework are in the pipeline for 2022-23.

Management and decision making

The board of trustees is the strategic decision-making body of the charity and is responsible for ensuring the charity's objectives are achieved and its plans are implemented. The trust is committed to following the Charity Governance Code's principles and recommended practice, and the Fundraising Regulator's Code of Fundraising Practice.

Trustees' Report

Day to day management of the trust and the trading company is delegated to the Chief Executive in accordance with the trust's Scheme of Delegation, which is reviewed annually by the board.

The board generally meets six times per year to review strategy, operational plans and performance, and to endorse key management decisions. It is helped in its work by trustee-led standing committees – the Finance, Investment and Audit Committee, HR and Remuneration Committee, the Collections Committee and the new Nomination Committee. Each committee's delegated responsibilities are outlined in their terms of reference, which are agreed by the board and regularly reviewed. When exercising any powers or duties to which the guidance is relevant, the trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the commission's public benefit guidance.

Equity, Diversity and Inclusion

Hampshire Cultural Trust is committed to promoting Equity, Diversity and Inclusion (EDI). We believe that a culture that actively values difference and people from different backgrounds and experiences can bring valuable insights to the workplace, enhance the way the organisation performs and the way we work.

In 2021-22, the trust commissioned Charlotte Sweeney OBE to facilitate the board in the development of a new EDI strategy and a review of its policy. Following a full board strategy day in January 2022, two working groups were established: one consisting of members of the board and leadership team, and a staff group to ensure input and collaboration from all areas of the trust. During the following months, both groups worked with Sweeney to develop the strategy, agreeing the overarching strategic goals which are underpinned by four key strategic EDI pillars across the trust: Board, People, Programme and Visitors.

The new strategy was approved by the board in May 2022, with an update of the policy in progress. The strategy sets out our continued aspirations as well as the actions we will take to ensure that EDI is continually embedded throughout all we do. Over the coming year, the trust will continue to implement the short / mid term actions identified in the strategy and lay the foundations for the longer term actions, with progress against the strategy monitored at regular intervals.

Remuneration policies

In examining and awarding executive pay, the trust uses as benchmarks a variety of data sources including publicly advertised vacancies and disclosed information for similar positions within the sector and region. Recruitment to Leadership Team positions is led by the Chief Executive in consultation with the Chairman, in accordance with the trust's Scheme of Delegation. The HR and Remuneration Committee oversees the development of employment related policies across the trust. A review of the trust's reward, recognition and pay procedures will be undertaken in 2022-23.

All members of the board are not remunerated for their role as trustees and have no beneficial interest in the charity or group. Any trustee expenses reclaimed from the charity are set out in the notes to the financial statements.

Trustees' Report

Funds held as custodian Trustee on behalf of others

In accordance with the trust's governing document, the Management and Funding Agreement with both of our founder local authorities (Hampshire County Council and Winchester City Council) the trust is the custodian of historic assets and properties on their behalf. These assets are held separately from those of the trust and are recorded on Modes, a catalogue system. These are detailed in note 27 to the financial statements.

Fundraising standards information

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

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

Trustees' Report

- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

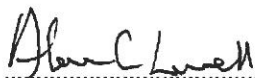
Auditors

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

Small Companies Disclosure

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

Approved by the trustees and signed on their behalf by:



.....

AC Lovell

Chairman

Date..... 12/09/22

Independent Auditor's Report to the Members and Trustees of Hampshire Cultural Trust

Opinion

We have audited the financial statements of Hampshire Cultural Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise Consolidated Statement of Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Cashflow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Independent Auditor's Report to the Members and Trustees of Hampshire Cultural Trust

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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Independent Auditor's Report to the Members and Trustees of Hampshire Cultural Trust

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Hampshire Cultural Trust
Company number: 08986225

Independent Auditor's Report to the Members and Trustees of Hampshire Cultural Trust

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

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

Use of our report

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

Azets Audit Services

Zara Hogg FCA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services (Statutory Auditors)

Carnac Place

Cams Hall Estate

Fareham

PO16 8UY

Date: *23 September 2022*

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

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Income from:							
Grants and donations	2	3,922,676	1,550,651	5,473,327	4,630,887	513,602	5,144,489
Income from charitable activities	3	1,044,104	840	1,044,944	321,785	0	321,785
Income from other trading activities:							
- income of trading company	4	810,268	0	810,268	314,692	0	314,692
Investment income	5	6,384	0	6,384	6,474	0	6,474
Other income	6	371,405	5,421	376,826	174,694	3,333	178,027
Total income		6,154,836	1,556,912	7,711,748	5,448,531	516,935	5,965,467
Expenditure on:							
Cost of raising funds:							
Fundraising and publicity	7	206,604	18,757	225,361	95,425	0	95,425
Expenses of Trading Company	4	475,429	0	475,429	234,702	0	234,702
Expenditure on charitable activities	8	5,438,885	1,487,826	6,926,712	4,748,855	466,675	5,215,530
Total expenditure		6,120,919	1,506,583	7,627,502	5,078,982	466,675	5,545,657
Net income / (expenditure)		33,917	50,329	84,246	369,549	50,261	419,810
Transfer between funds		(90,000)	90,000	0	(82,139)	82,139	0
Net movement in funds		(56,083)	140,329	84,246	287,410	132,400	419,810
Reconciliation of funds:							
Total funds brought forward		1,757,715	588,898	2,346,613	1,470,305	456,498	1,926,803
Total funds carried forward		1,701,632	729,227	2,430,859	1,757,715	588,898	2,346,613

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

All transactions are derived from continuing activities.

The notes on pages 31 to 49 form an integral part of these financial statements

Consolidated Balance Sheet
as at 31 March 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Intangible assets	11		2		2
Tangible assets	12		313,631		380,409
			<u>313,633</u>		<u>380,411</u>
Current assets					
Stock	14	130,206		110,123	
Debtors	15	966,725		397,813	
Cash at bank and in hand	18	1,866,537		2,068,150	
		<u>2,963,468</u>		<u>2,576,086</u>	
Creditors: amounts falling due within one year	16	<u>(846,242)</u>		<u>(609,884)</u>	
Net current assets			<u>2,117,226</u>		<u>1,966,202</u>
Net assets	19		<u>2,430,859</u>		<u>2,346,613</u>
Funds					
Unrestricted funds:					
General unrestricted funds	19	1,376,632		1,352,715	
Designated funds	21	<u>325,000</u>		<u>405,000</u>	
			1,701,632		1,757,715
Restricted funds	19		<u>729,227</u>		<u>588,898</u>
Total funds			<u>2,430,859</u>		<u>2,346,613</u>

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

The financial statements were approved by the board on ^{12 September} ~~July~~ 2022 and signed on its behalf by:



AC Lovell
On behalf of the board of trustees

The notes on pages 31 to 49 form an integral part of these financial statements

Trust Balance Sheet
as at 31 March 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Intangible assets	11		2		2
Tangible assets	12		237,152		303,294
Investments	13		1,000		1,000
			<u>238,154</u>		<u>304,296</u>
Current assets					
Stock	14	0		0	
Debtors	15	944,363		473,657	
Cash at bank and in hand		<u>1,864,865</u>		<u>2,066,377</u>	
		2,809,228		2,540,034	
Creditors: amounts falling due within one year	16	<u>(952,938)</u>		<u>(588,382)</u>	
Net current assets			<u>1,856,290</u>		<u>1,951,653</u>
Net assets	19		<u><u>2,094,444</u></u>		<u><u>2,255,949</u></u>
Funds					
Unrestricted funds:					
General unrestricted funds	20	1,040,217		1,262,051	
Designated funds	21	<u>325,000</u>		<u>405,000</u>	
			1,365,217		1,667,051
Restricted funds	19		<u>729,227</u>		<u>588,898</u>
Total funds			<u><u>2,094,444</u></u>		<u><u>2,255,949</u></u>

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

The financial statements were approved by the board on ^{12 September}~~12 July~~ 2022 and signed on its behalf by:



AC Lovell

On behalf of the board of trustees

The notes on pages 31 to 49 form an integral part of these financial statements

Hampshire Cultural Trust
Company number: 08986225

Consolidated cashflow statement
for the year ended 31 March 2022

	Group	Group
	2022	2021
Notes	£	£
Cash flows from operating activities:		
Net cashflow from operating activities	(135,763)	458,662
Cash flows from investing activities		
Bank interest received	6,384	6,474
Purchase of fixed assets	<u>(72,234)</u>	<u>(233,508)</u>
Cash used in investing activities	<u>(65,850)</u>	<u>(227,034)</u>
Increase/(decrease) in cash and cash equivalents in the year	<u>(201,613)</u>	<u>236,034</u>
Cash and cash equivalents at the beginning of the year	<u>2,068,150</u>	<u>1,832,115</u>
Total cash and cash equivalents at the end of the year	<u>1,866,537</u>	<u>2,068,150</u>
Reconciliation of Changes in Resources to Net Cashflow From Operating Activities		
Net income for the year	84,246	419,810
Depreciation	12 139,012	128,521
Investment income and interest received	5 (6,384)	(6,474)
(Increase)/decrease in stock	14 (20,083)	(12,598)
(Increase)/decrease in debtors	15 (568,912)	69,258
Increase/(decrease) in creditors	16 <u>236,358</u>	<u>(139,856)</u>
Net cashflow from operating activities	<u>(135,763)</u>	<u>458,662</u>

Notes to the financial statements
for the year ended 31 March 2022

1 Accounting policies

1.1 Charity information

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

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

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

1.2 Basis of preparation of financial statements

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

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

1.3 Income

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

Voluntary income and donations are accounted for on receipt.

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

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

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

Admissions and membership income is recognised on receipt.

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

Notes to the financial statements
for the year ended 31 March 2022

1.4 Grants receivable

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

1.5 Expenditure

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

1.6 Basis of allocation

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

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

1.7 Tangible fixed assets

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

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

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

1.8 Stock

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

1.9 Funds

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

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

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

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

Notes to the financial statements
for the year ended 31 March 2022

1.10 Leased assets

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

1.11 Financial instruments

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

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

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

Basic Financial Assets

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

Impairment of Financial Assets

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

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

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

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

Derecognition of Financial Assets

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

Notes to the financial statements
for the year ended 31 March 2022

Classification of Financial Liabilities

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

Basic Financial Liabilities

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

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

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

Derecognition of Financial Liabilities

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

1.12 Termination benefits

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

1.13 Pension costs

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

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

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

Notes to the financial statements
for the year ended 31 March 2022

1.14 Judgements and key sources of estimation uncertainty

Tangible fixed assets are depreciated over their useful lives, taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into consideration. Residual value assessments consider issues such as future market conditions the remaining life of the asset and projected disposal values. The carrying amount is £313,631 (2021: £380,409).

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

1.15 Going concern

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

The estimates and associated assumptions used are based on historical experience.

1.16 Investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Notes to the financial statements
for the year ended 31 March 2022

2 Grants and donations

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

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Hampshire County Council (HCC)	2,272,480	0	2,272,480	2,309,486
Winchester City Council (WCC)	298,144	0	298,144	313,835
	<u>2,570,624</u>	<u>0</u>	<u>2,570,624</u>	<u>2,623,321</u>
Other Local Authority grants:				
Basingstoke and Deane Borough Council	183,600	0	183,600	183,600
Gosport Borough Council	60,000	0	60,000	60,000
Eastleigh Borough Council	40,740	0	40,740	39,096
Bournemouth, Christchurch and Poole Council	100,000	0	100,000	100,000
Rushmoor Borough Council	44,224	0	44,224	44,224
New Forest District Council	15,000	0	15,000	15,000
Bursledon Parish Council	2,000	0	2,000	2,200
	<u>445,564</u>	<u>0</u>	<u>445,564</u>	<u>444,120</u>
Other grants:				
Arts Council England	480,000	581,800	1,061,800	544,800
National Lottery Heritage Fund		52,607	52,607	50,900
Job Retention Scheme	78,217		78,217	638,317
Government Business Grants	214,821		214,821	341,486
HCC - Wessex Dance Academy	62,500		62,500	16,800
Hampshire County Council - WDC transitional funding		43,148	43,148	
Royal Pavilion and Museums Trust		73,891	73,891	67,219
Paul Hamlyn Foundation			-	111,000
Gosport Borough Council & HSHAZ Historic England		332,412	332,412	30,000
Historic England via Gosport Borough Council		46,154	46,154	
Garfield Weston Foundation			-	20,000
South Western Railway		10,000	10,000	10,000
British Museum - Portable Antiquities Scheme		24,785	24,785	29,828
Hampshire Futures		40,683	40,683	35,833
Historic England		31,780	31,780	30,855
Museum Association - Esmee Fairbairn Collections Fund		7,110	7,110	30,737
Youth Endowment Fund			-	28,250
Armed Forces Covenant Fund Trust		7,967	7,967	
HMP Winchester		40,000	40,000	
Art Fund		45,000	45,000	
Foyle Foundation		60,000	60,000	
South Downs National Park Authority		7,500	7,500	
Farnham Maltings - Apprenticeship Funding	13,408		13,408	
Other grants (less than £5,000)	2,108	25,630	27,738	26,332
	<u>851,053</u>	<u>1,430,467</u>	<u>2,281,519</u>	<u>2,012,357</u>
Total grants	<u>3,867,241</u>	<u>1,430,467</u>	<u>5,297,707</u>	<u>5,079,798</u>

Notes to the financial statements
for the year ended 31 March 2022

	Unrestricted £	Restricted £	2022 £	2021 £
Other donations:				
Friends of the Willis Museum		10,000	10,000	
Donations towards Wessex Dance Academy		5,000	5,000	
Donations towards the Anglo-Saxon project		55,000	55,000	
Novacyt		25,000	25,000	
Miscellaneous donations (£5,000 and below)	48,320	20,786	69,105	53,615
Regular Donations	7,116	4,398	11,514	11,076
Total donations	55,436	120,184	175,619	64,691
Total grants and donations	3,922,676	1,550,651	5,473,327	5,144,489

£100,886 transferred to Trading in relation to business grants received and Job Retention Scheme receipts.

In respect of the Grants and Donations of £5,473,327 which were received in 2021-22, £3,922,676 related to unrestricted funds and £1,550,651 related to restricted funds.

3 Income from charitable activities

	Unrestricted £	Restricted £	2022 £	2021 £
Admissions	780,653	-	780,653	269,971
Workshops and classes	121,333	840	122,173	51,179
Box office	141,215	-	141,215	12,684
Booking fees	902	-	902	(12,049)
	1,044,104	840	1,044,944	321,785

All income from charitable activities in 2021 were unrestricted.

4 Income and expenditure from trading activities of subsidiaries

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

The trading company transfers its taxable profits to the trust by way of Gift Aid. A summary of its trading results for the year ended 31 March 2022 is shown below. Financial statements have been filed with Companies House.

Notes to the financial statements
for the year ended 31 March 2022

	2022	2021
	£	£
<u>Profit and loss account</u>		
Turnover	709,381	160,225
Cost of sales	(342,426)	(97,695)
Gross Profit	<u>366,955</u>	<u>62,530</u>
Administrative expenses	(133,002)	(137,007)
Other operating income	100,886	154,467
Operating profit and profit before taxation	<u>334,839</u>	<u>79,989</u>
Tax on profit	0	0
Profit for the financial year	<u>334,839</u>	<u>79,989</u>
Amount gifted to Hampshire Cultural Trust	(89,091)	(336,071)
Retained profit for the period	<u>245,748</u>	<u>(256,082)</u>
Retained profit brought forward	<u>90,665</u>	<u>346,746</u>
Retained profit carried forward	<u>336,413</u>	<u>90,665</u>
<u>Balance sheet</u>		
Assets	400,238	196,758
Liabilities	(62,825)	(105,093)
Net assets	<u>337,413</u>	<u>91,665</u>
Called up ordinary share capital	1,000	1,000
Profit and loss account	336,413	90,665
Capital and reserves	<u>337,413</u>	<u>91,665</u>

5 Investment income

	2022	2021
	£	£
Investment income	<u>6,384</u>	<u>6,474</u>

All investment income in both 2022 and 2021 is unrestricted.

Notes to the financial statements
for the year ended 31 March 2022

6 Other income

	2022	2021
	£	£
Collections and conservation income	2,083	7,722
Trails	14,183	14,500
Events and hire	86,256	8,564
Gift Aid and other tax reliefs	139,815	136,937
Other	134,490	10,303
	<u>376,826</u>	<u>178,027</u>

Included within Gift Aid and other tax relief, is £5,421 which relates to restricted income from Gift Aid. £3,333 of other income in 2021 was unrestricted.

7 Fundraising and publicity

	Unrestricted funds	Restricted funds	2022 Total	2021 Total
	£	£	£	£
	206,604	18,757	225,361	95,425

Fundraising and publicity costs were wholly unrestricted in the prior year. Fundraising and publicity costs include the cost of marketing the programme of events across the venues.

8 Costs of charitable activities

	Unrestricted funds	Restricted funds	2022 Total	Unrestricted funds	Restricted funds	2021 Total
	£	£	£	£	£	£
Public programmes	126,198		126,198	79,862	0	79,862
Collections	484,025		484,025	466,943	0	466,943
Venues	2,960,715		2,960,715	2,526,196	0	2,526,196
Business development	1,800,069		1,800,069	1,596,932	0	1,596,932
Projects	67,878	1,487,826	1,555,704	78,922	466,675	545,597
	<u>5,438,885</u>	<u>1,487,826</u>	<u>6,926,712</u>	<u>4,748,855</u>	<u>466,675</u>	<u>5,215,530</u>

Business Development includes the costs of central functions such as marketing, finance, HR and IT, in addition to the leadership team.

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

Notes to the financial statements
for the year ended 31 March 2022

9 Auditors' remuneration

	2022	2021
	£	£
Audit fees - Trust	8,500	10,800
Audit fees - Trading subsidiary	3,550	3,550

10 Employees

	2022	2021
	£	£
Employment costs		
Wages and salaries	3,633,235	3,314,801
Redundancy payments	-	7,505
Social security costs	303,316	266,606
Pension costs	328,017	323,983
	<u>4,264,568</u>	<u>3,912,896</u>

Key management personnel

Employee benefits received by key management personnel during the year totalled £651,486 (2021: £612,367).

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

Higher paid employees

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

	2022	2021
£60,001 to £70,000	0	0
£70,001 to £80,000	1	1
£80,001 to £90,000	0	0
£90,001 to £100,000	0	0
£100,001 to £110,000	0	1
£110,001 to £120,000	<u>1</u>	<u>0</u>

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

Employer contributions to a defined contribution scheme for employees who earned over £60,000 was £14,300 (2021: £13,596).

Notes to the financial statements
for the year ended 31 March 2022

Number of employees

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

	2022	2021
Cost of generating funds	3	3
Charitable expenditure	186	211
	<u>189</u>	<u>214</u>

Trustees' Remuneration

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

No expenses have been reimbursed to any trustees in the year.

Notes to the financial statements
for the year ended 31 March 2022

11 Intangible fixed assets

	2022	2021
	£	£
Cost at 1 April and 31 March	2	2

12 Tangible fixed assets

<u>Group</u>	Plant & machinery	Computer equipment	Fixtures & fittings	Leasehold improvements	Total
	£	£	£	£	£
Cost					
At 1 April 2021	22,542	51,362	354,013	166,862	594,778
Additions	17,949	10,108	44,177	-	72,234
Disposals	0	0	0	0	0
At 31 March 2022	<u>40,491</u>	<u>61,470</u>	<u>398,190</u>	<u>166,862</u>	<u>667,012</u>
Depreciation					
At 1 April 2021	11,271	31,215	139,440	32,442	214,369
Charge for the year	10,123	20,489	91,714	16,686	139,012
Eliminated on disposal	0	0	0	0	0
At 31 March 2022	<u>21,395</u>	<u>51,704</u>	<u>231,154</u>	<u>49,128</u>	<u>353,381</u>
Net book value					
At 31 March 2022	<u>19,096</u>	<u>9,765</u>	<u>167,036</u>	<u>117,734</u>	<u>313,631</u>
At 31 March 2021	<u>11,270</u>	<u>20,146</u>	<u>214,573</u>	<u>134,420</u>	<u>380,409</u>

<u>Trust</u>	Plant & machinery	Computer equipment	Fixtures & fittings	Leasehold improvements	Total
	£	£	£	£	£
Cost					
At 1 April 2021	7,661	49,773	316,250	84,451	458,134
Additions	-	10,108	44,177	-	54,285
Disposals	0	0	0	0	0
At 31 March 2022	<u>7,661</u>	<u>59,881</u>	<u>360,427</u>	<u>84,451</u>	<u>512,419</u>
Depreciation					
At 1 April 2021	3,830	30,156	104,893	15,960	154,840
Charge for the year	1,915	19,960	90,107	8,445	120,427
Eliminated on disposal	0	0	0	0	0
At 31 March 2022	<u>5,746</u>	<u>50,116</u>	<u>195,000</u>	<u>24,405</u>	<u>275,267</u>
Net book value					
At 31 March 2022	<u>1,915</u>	<u>9,764</u>	<u>165,427</u>	<u>60,046</u>	<u>237,152</u>
At 31 March 2021	<u>3,830</u>	<u>19,616</u>	<u>211,357</u>	<u>68,490</u>	<u>303,294</u>

13 Fixed asset investments

<u>Trust</u>	Total
	£
Market value or cost at 1 April 2021 and 31 March 2022	<u>1,000</u>
Historical cost at 1 April 2021 and 31 March 2022	<u>1,000</u>

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

Notes to the financial statements
for the year ended 31 March 2022

14 Stock

	Trust	2022 Group	Trust	2021 Group
	£	£	£	£
Goods for resale	0	130,206	0	110,123

Stock is valued at the lower of cost and net realisable value, after making provisions for obsolete and slow moving items.

15 Debtors

	Trust	2022 Group	Trust	2021 Group
	£	£	£	£
Amounts due within 1 year:				
Trade debtors	175,675	192,048	37,776	42,521
Prepayments and accrued income	674,083	675,908	352,790	354,357
Other debtors	94,606	98,769	0	934
Intercompany account	0	0	83,092	0
	<u>944,363</u>	<u>966,725</u>	<u>473,657</u>	<u>397,813</u>

16 Creditors (amounts falling due within one year)

	Trust	2022 Group	Trust	2021 Group
	£	£	£	£
Trade creditors	205,780	248,464	106,135	116,896
Tax and social security	67,244	68,623	77,547	77,547
Other creditors	406,714	413,123	250,009	254,995
Accruals and deferred income	103,681	116,032	154,691	160,446
Intercompany account	169,520	0	0	0
	<u>952,938</u>	<u>846,242</u>	<u>588,382</u>	<u>609,884</u>

17 Deferred income reconciliation

	Trust	2022 Group	Trust	2021 Group
	£	£	£	£
Balance brought forward	60,247	60,247	60,474	60,474
Amount released to the SoFA	(60,247)	(60,247)	(26,174)	(26,174)
Amount deferred in the year	88,706	88,706	25,947	25,947
Balance carried forward	<u>88,706</u>	<u>88,706</u>	<u>60,247</u>	<u>60,247</u>

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

Notes to the financial statements
for the year ended 31 March 2022

18 Analysis of changes in net debt

	2022	Cashflow	2021
Group			
Cash	1,866,537	(201,613)	2,068,150
Total	<u>1,866,537</u>	<u>(201,613)</u>	<u>2,068,150</u>

19 Analysis of net assets between funds

Group

Fund balances at 31 March are represented by:

	Unrestricted funds	Restricted funds	2022 Total	Unrestricted funds	Restricted funds	2021 Total
	£	£	£	£	£	£
Intangible fixed assets	2	0	2	2	0	2
Tangible fixed assets	185,038	128,593	313,631	251,959	128,450	380,409
Current assets	2,362,834	600,634	2,963,468	2,115,638	460,448	2,576,086
Current liabilities	(846,242)	0	(846,242)	(609,884)	0	(609,884)
	<u>1,701,632</u>	<u>729,227</u>	<u>2,430,859</u>	<u>1,757,715</u>	<u>588,898</u>	<u>2,346,613</u>

Trust

Fund balances at 31 March are represented by:

	Unrestricted funds	Restricted funds	2022 Total	Unrestricted funds	Restricted funds	2021 Total
	£	£	£	£	£	£
Intangible fixed assets	2	-	2	2	-	2
Tangible fixed assets	108,559	128,593	237,152	174,844	128,450	303,294
Investment assets	1,000	-	1,000	1,000	-	1,000
Current assets	2,208,594	600,634	2,809,228	2,079,586	460,448	2,540,034
Current liabilities	(952,938)	0	(952,938)	(588,382)	0	(588,382)
	<u>1,365,217</u>	<u>729,227</u>	<u>2,094,444</u>	<u>1,667,050</u>	<u>588,898</u>	<u>2,255,949</u>

Included within Unrestricted funds above, are Designated funds of £325k held as current assets (see note 21).

Notes to the financial statements
for the year ended 31 March 2022

20 Funds

Restricted Funds	01-Apr-21	Incoming YTD	Outgoing YTD	Transfers	31-Mar-22
	£	£	£	£	£
Arts Council England					
Arts Council England - DFE Museums and schools	36,430	64,800	71,967		29,263
Arts Council England - Connecting Conversations	3,647				3,647
Arts Council England - Gosport Redevelopment		90,000	90,000		-
Arts Council England - via Royal Pavilion & Museums Trust	(131)	75,891	75,196		563
Arts Council England - Outdoor Arts		15,000	12,772		2,228
Arts Council England - Anglo-Saxon Winchester		50,000	49,134		866
Arts Council England via HCC - WDC redevelopment		42,500	42,500		-
Arts Council England - CRF Sustainability Grant		319,500	145,353		174,147
National Heritage Lottery Fund					
National Heritage Lottery Fund - Still Curious	6,565		192		6,373
National Heritage Lottery Fund - Culture:impact	9,104	(3,012)	6,092		-
National Heritage Lottery Fund - ICE Heritage		49,950	9,114		40,836
National Heritage Lottery Fund - Forest Arts		2,657			2,657
National Heritage Lottery Fund - Industrious Minds	16,662		2,775		13,886
Other Grant Funding					
Simpson Teddy Bear Legacy	88,916		90,283		58,633
Hampshire County Council - WDC Lighting Grant	7,518		7,518		-
Hampshire County Council - WDC redevelopment		43,148	43,148		-
Art Fund		45,000	45,000		-
The Foyle Foundation		60,000	60,000		-
Gosport Borough Council & HSHAZ Historic England - Gosport Redevelopment		332,412	332,412		-
Paul Hamlyn Foundation	139,718		54,900		84,818
British Museum - Portable Antiquities Scheme	6,995	24,785	20,984		10,795
Sport England Lottery Award (previously This Girl Can Community Fund)	6,700		4,299		2,401
Youth Endowment Fund	1,282				1,282
South Downs National Park Authority		7,500			7,500
Armed Forces Covenant Fund	19,939	7,967	10,487		17,419
South Western Railway	3,887	10,000	13,205		682
Historic England via Gosport Borough Council - Cultural Consortium		46,154	19,146		27,008
Winchester City Council	7,277				7,277
Museum Association - Esmee Fairbairn Collections Fund	24,740	7,110	18,338		13,512
Historic England - inc WCC Publication reserve	6,825	31,780	21,617		16,987
Hampshire Achieves (previously Hampshire Futures)	17,558	33,183	31,747		18,994
Hampshire and IOW CRC	6,039	7,500	7,507		6,032
HMP Winchester	5,000	40,000	17,336		27,664
Friends of Gosport Museum	24,271		24,271		0
Gosport Borough Council	50,000		103,695	80,000	26,305
Friends of Aldershot Military Museum/TAG Rushmoor	13,542		5,003		8,539
HCC Contribution to the toilet refurbishment	17,006		1,859		15,147
HCC/HCT Partnership refurbishment of the Arc			9,098	10,000	902
Other grant funding (below £5,000)	19,179	26,542	23,280		22,542
Donations					
Donations towards Wessex Dance Academy (David Collinson & De Laszlo Foundation)	11,250	5,000	1,250		15,000
Donations towards the Anglo-Saxon project (O'Sullivan & Sellingman)	15,000	55,000	70,000		-
Novacyt		25,000	1,810		23,190
Friends of the Willis Museum		10,000			10,000
Donations (below £5,000)	23,979	31,445	23,294		32,130
Total	588,898	1,556,912	1,506,583	90,000	729,226

Notes to the financial statements
for the year ended 31 March 2022

Comparative Information for restrictive funds:

Restricted Funds	01-Apr-20	Incoming YTD	Outgoing YTD	Transfers	31-Mar-21
	£	£	£	£	£
Arts Council England					
Arts Council England - Reaching Out	27,760	64,800	56,129	0	36,430
Arts Council England - Connecting Conversations	4,047	0	400	0	3,647
Arts Council England - SEMDP via BHBC now Royal Pavilion and Museums Trust	(4)	67,219	67,346	0	(131)
National Heritage Lottery Fund					
NLHF - Still Curious	21,879	2,500	17,813	0	6,565
NLHF - Culture: Impact	28,600	0	19,496	0	9,104
NLHF - Industrious Minds	17,100	0	438	0	16,662
Other Grant Funding					
Simpson Teddy Bear Legacy	90,000	0	36,877	35,793	88,916
WDC Lighting Grant	22,782	0	15,264	0	7,518
Paul Hamlyn Foundation	73,038	111,000	44,320	0	139,718
Garfield Weston Foundation	0	20,000	20,000	0	0
British Museum - Portable Antiquities Scheme	1,082	29,828	23,915	0	6,995
This Girl Can Community Fund	0	6,700	0	0	6,700
Youth Endowment Fund	0	28,250	26,968	0	1,282
Armed Forces Covenant Fund	18,100	3,435	4,096	2,500	19,939
South Western Railway	0	10,000	6,113	0	3,887
Artsworld Ltd	5,002	0	5,002	0	0
Winchester City Council	7,277	0	0	0	7,277
Museums Association - Esmée Fairbairn Collections Fund	13,690	30,737	19,687	0	24,740
Historic England	4,452	30,855	28,482	0	6,825
Hampshire Futures	3,240	37,300	22,982	0	17,558
Friends of Gosport Museum	29,014	0	4,744	0	24,271
Gosport Borough Council	0	30,000	0	20,000	50,000
Friends of Aldershot Military Museum/TAG Rushmoor	15,000	0	1,458	0	13,542
HCC Contribution to toilet refurbishment	20,536	0	3,530	0	17,006
Hampshire and IOW CRC	9,095	0	5,556	2,500	6,039
HMP YO1 Winchester	10,000	0	5,000	0	5,000
Other funding (below £5,000)	13,493	18,679	12,993	0	19,179
Donations	21,315	25,633	18,065	21,346	50,229
Total	456,498	516,936	466,674	82,139	588,898

Notes to the financial statements
for the year ended 31 March 2022

Funder	Project	Details
Arts Council England	Reaching Out!	Project working with North Hampshire schools to increase museum engagement
Arts Council England	Connecting Conversations	Research project on cultural engagement in Rushmoor
Arts Council England	Gosport Redevelopment	Support received to support the redevelopment of the Gosport Museum and Art Gallery
Arts Council England	SEMDP	South East Museum Development Programme
Arts Council England	Outdoor Arts	3 pilot projects to catalyse new relationships between communities and artists.
Arts Council England	Anglo Saxon Winchester	Support received towards the Anglo Saxon Experience
Arts Council England	The Arc redevelopment	Support received to support the redevelopment of the Arc Winchester
Arts Council England	CRF Sustainability Grant	Cultural Recovery Fund Sustainability Grant
National Heritage Lottery Fund - Still Curious	Still Curious	Dementia friendly heritage programme at Red House Museum
National Heritage Lottery Fund - Culture Impact	Culture:impact	Project developing impact framework and community development toolkit
National Heritage Lottery Fund - ICE Heritage	ICE Heritage	Arts intervention programme working in partnership with Hampshire CAMHS
National Heritage Lottery Fund - Industrious Minds	Industrious Minds	A project working with young people from the Eastleigh to engage with the industrial heritage of the town.
Simpson Teddy Bear Legacy	Simpson Teddy Bear Legacy	Funds remaining relating to the capital investment in the Teddy Bear Museum.
WDC Lighting Grant	The Arc redevelopment	Transfer from HCC - WDC Lighting
Hampshire County Council - WDC redevelopment	The Arc redevelopment	Support received to support the redevelopment of the Arc Winchester
Art Fund	Anglo Saxon Winchester	Support received towards the Anglo Saxon Exhibition
The Foyle Foundation	Gosport Redevelopment	Support received to support the redevelopment of the Gosport Museum and Art Gallery
Gosport Borough Council & HSHAZ Historic England	Gosport Redevelopment	The HSHAZ is a funded scheme administered by Historic England, focused on driving regeneration in the high street.
Paul Hamlyn Foundation	Horizon 20:20	Funded programme working with seven education centres across Hampshire
British Museum - Portable Antiquities Scheme	Portable Antiquities Scheme	Identification and recording of metal detecting finds made in Hampshire
Sport England Lottery Award	Still Going	This project will deliver a 16 week programme of exercise and fitness for inactive women aged 60 plus.
Armed Forces Covenant Fund	Creative Wellbeing: Military Heritage	The project is aimed at veterans who have received clinical treatment for PTSD, offering a safe, non-clinical, community space for continued recovery, once discharged
South Downs National Park Authority	Project Thrive!	Project Thrive! is a pilot project to engage hard-to-reach young people with the natural world to support mental health and wellbeing;
Armed Forces Covenant Fund	The Resilience Garden	'The Resilience Garden' project will engage men from both the Armed Forces and civilian communities to design, create and maintain a community garden at Aldershot Military Museum.
South Western Railway	Eastleigh Connection	Options appraisal to look at the future potential of Eastleigh Museum
South Western Railway	Historic England via Gosport Borough Council	HCT is the lead partner for the Gosport Cultural Consortium, tasked with developing and delivering a programme of events and activities to animate the high street. This is a three-year programme that aims to: Create earning and employment opportunities for local residents, stimulate broader participation in the sector and support the delivery of the HSHAZ programme
South Western Railway	WCC Object Acquisitions	This is a new restricted reserve for WCC object acquisitions
South Western Railway	On The Move!	Supporting volunteers to help better manage the industrial heritage collections
South Western Railway	Winchester Publication Series	Publish the archaeological investigations of the WCC Unit in 1970s and 1980s
South Western Railway	Brighter Futures	Programme of courses for adults with mental health issues
South Western Railway	Creating Change	Programme working with women on probation
South Western Railway	HMP Winchester	At HMP Winchester HCT work with BearFace Theatre CIC, to deliver creative, active and participatory workshop programmes to positively affect prisoners' attitudes, thinking and behaviour.
South Western Railway	Gosport Venue Investment	Support received to support the redevelopment of the Gosport Museum and Art Gallery
South Western Railway	Willis Museum	Support received towards updating the presentation of the story of Basingstoke at the Willis Museum
South Western Railway	Gosport Venue Investment	Support received to support the redevelopment of the Gosport Museum and Art Gallery
South Western Railway	Aldershot Venue Investment	TAG funding towards the play trail at Aldershot Military Museum - Capital Asset
South Western Railway	Milestones Venue Investment	Support received to support the refurbishment of the toilets at Milestones Museum - Capital Asset

Notes to the financial statements
for the year ended 31 March 2022

21 <u>Designated Funds</u>	2022	2021
	£	£
Gosport venue investment	0	80,000
WDC Capital Works	0	50,000
Winchester Anglo-Saxon experience	325,000	275,000
	<u>325,000</u>	<u>405,000</u>

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

The trustees designated £80,000 of funds towards the redevelopment of Gosport Old Grammar School. These funds have been used through 2021-22.

The board committed to invest in the refurbishment of the Winchester Discovery Centre as HCT took on all cultural aspects and operational management of the building in February 2022.

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

22 **Commitments and contingent liabilities**

Neither the trust nor the group had any capital commitments or contingent liabilities at 31 March 2022 (2021: nil).

23 **Operating leases**

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

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

Notes to the financial statements
for the year ended 31 March 2022

24 Related party transactions

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

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

25 Taxation

All of the trust's income is applied for charitable purposes and is therefore exempt from corporation tax. The trust's trading subsidiary had a corporation tax liability of £nil at 31 March 2022 (2021: nil).

26 Ultimate controlling party

The ultimate controlling party is the board of trustees.

27 Funds held as custodian trustee on behalf of others

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

Hampshire County Council Collections

In 2021-22, a total of 42 acquisitions, either individual objects or associated groups of objects, were made to the Hampshire County Council museum collections as follows:

20x Social History, Community and Decorative art – including the Broadlands locomotive nameplate and the Verda Gosport ferry nameplate.

3x Photographs – including a 1944 photograph of the Basingstoke Home Guard.

1x Historic Costume – Esso Fawley working uniform

18x Archaeology – including a silver Anglo-Saxon strap end with runic inscription from Kings Somborne.

The majority of acquisitions were made as gifts to the council at no cost. Ten items were purchased, archaeological items acquired through the Treasure process, worth £2,560.00 in total.

In addition, the collection accepted the archaeological archives of 40 archaeological excavations into the collection in accordance with the planning process. 24 of these contained finds and paper records, 16 just paper records.

We disposed of four agricultural vehicles and a set of three WWI medals from the accessioned collections.

Winchester City Council Collections

In 2021-22, a total of 16 acquisitions were made to the Winchester City Council museum collections as follow:

3x Local art – including a print of Wolvesey Castle, Winchester.

3x Local History – including a Winchester Air Raid Precautions ID card.

10x Archaeology – including a pierced late Roman silver coin from Bishops Sutton.

The majority of items were made as gifts to the council at no cost. Only three items were acquired by purchase, worth £189.50.

In addition, the collection accepted the archaeological archives of 17 archaeological excavations into the collection in accordance with the planning process. Ten of these contained finds and paper records, seven just paper records.

No objects were disposed from the accessioned collection during the year.

HAMPSHIRE CULTURAL TRUST

England & Wales - Charity number 1158583

Accounts

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

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

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

Hampshire Cultural Trust
Company number: 08986225

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Hampshire Cultural Trust
Company number: 08986225

Trustees' Report

Reference and Administrative details

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

Trustees' Report

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

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

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

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

Chairman's report

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

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

Trustees' Report

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

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

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

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

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

STRATEGIC REPORT

Achievements and performance

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

GOAL ONE

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

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

Trustees' Report

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

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

Trustees' Report

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

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

GOAL TWO

To improve wellbeing, health and happiness through cultural experiences

Horizon 20:20

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

Create and Connect

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

Basingstoke Peace Project

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

Trustees' Report

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

Brighter Futures

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

Creative Wellbeing: Military Heritage

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

Still Strolling

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

Investing in Communities

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

Reaching Out!

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

Trustees' Report

GOAL THREE

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

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

Trustees' Report

GOAL FOUR

To create fulfilling employment and volunteering opportunities through culture

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

Our Supporters

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

Financial review

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

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

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

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

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

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

Trustees' Report

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

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

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

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

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

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

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

Reserves Policy

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

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

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

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

Trustees' Report

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

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

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

Principal Risks

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

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

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

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

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

Trustees' Report

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

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

Plans for future periods

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

Trustees' Report

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

Structure, governance and management

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

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

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

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

Hampshire Cultural Trust
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Trustees' Report

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

Appointment of trustees

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

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

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

Management and decision making

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

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

Remuneration policies

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

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

Funds held as custodian trustee on behalf of others

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

Trustees' Report

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

Fundraising standards information

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

Statement of trustees' responsibilities

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

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

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

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

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Trustees' Report

Auditors

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

Small Companies Disclosure

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

Approved by the trustees and signed on their behalf by:


.....

Alan Lovell
Chairman

Date: 30 July 2021.....

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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Hampshire Cultural Trust
Company number: 08986225

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

Use of our report

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

Azets Audit Services

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

Date: *18 November 2021*

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

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

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

All transactions are derived from continuing activities.

Consolidated Balance Sheet
as at 31 March 2021

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

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

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



AC Lovell
On behalf of the board of trustees

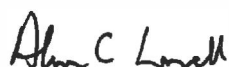
Trust Balance Sheet
as at 31 March 2021

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

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

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

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



AC Lovell
On behalf of the board of trustees

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

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

Reconciliation of Changes in Resources to Net Cashflow From Operating Activities

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

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

1 Accounting policies

1.1 Charity information

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

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

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

1.2 Basis of preparation of financial statements

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

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

1.3 Income

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

Voluntary income and donations are accounted for on receipt.

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

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

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

Admissions and membership income is recognised on receipt.

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

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

1.4 Grants receivable

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

1.5 Expenditure

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

1.6 Basis of allocation

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

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

1.7 Tangible fixed assets

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

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

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

1.8 Stock

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

1.9 Funds

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

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

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

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

1.10 Leased assets

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

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

1.11 Financial instruments

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

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

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

Basic Financial Assets

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

Impairment of Financial Assets

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

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

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

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

Derecognition of Financial Assets

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

Classification of Financial Liabilities

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

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

Basic Financial Liabilities

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

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

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

Derecognition of Financial Liabilities

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

1.12 Termination benefits

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

1.13 Pension costs

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

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

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

1.14 Judgements and key sources of estimation uncertainty

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

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

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

1.15 Going concern

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

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

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

2 Grants and donations

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

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

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

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

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

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

3 Income from charitable activities

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

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

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

4 Income and expenditure from trading activities of subsidiaries

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

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

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

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

5 Investment income

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

All investment income in both 2021 and 2020 is unrestricted.

6 Other income

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

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

7 Fundraising and publicity

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

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

8 Costs of charitable activities

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

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

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

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

9 Auditors' remuneration

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

10 Employees

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

Key management personnel

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

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

Higher paid employees

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

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

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

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

Number of employees

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

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

Trustees' Remuneration

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

No expenses have been reimbursed to any trustees in the year

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

11 Intangible fixed assets

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

12 Tangible fixed assets

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

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

13 Fixed asset investments

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

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

14 Stock

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

15 Debtors

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

16 Creditors (amounts falling due within one year)

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

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

17 Deferred income reconciliation

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

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

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

18 Analysis of changes in net debt

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

19 Analysis of net assets between funds

Group

Fund balances at 31 March are represented by:

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

Trust

Fund balances at 31 March are represented by:

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

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

Hampshire Cultural Trust
Company number: 08986225

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

20 Funds

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

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

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Comparative information for restrictive funds:

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

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

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

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

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

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

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

22 **Commitments and contingent liabilities**

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

23 **Operating leases**

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

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

24 **Related party transactions**

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

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

Notes to the financial statements
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25 Taxation

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

26 Ultimate controlling party

The ultimate controlling party is the board of trustees.

27 Funds held as custodian Trustee on behalf of others

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

Hampshire County Council Collections

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

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

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

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

Winchester City Council Collections

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

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

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

No objects were disposed from the collection during the year.

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