

**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**

## Contents

Trustees' annual report (incorporating the Directors' report)	1
Independent auditors' report to the Members and Trustees	19
Consolidated Statement of financial activities	23
Consolidated Balance sheet	24
Trust Balance sheet	25
Consolidated Cashflow statement	26
Notes to financial statements	27

**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	<a href="http://www.hampshireculture.org.uk">www.hampshireculture.org.uk</a>
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**

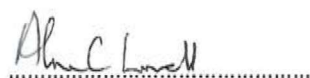
During the year, the trust and its subsidiary appointed new auditors, PKF Francis Clark. So far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware. Trustees have taken all the steps necessary to make themselves aware of any relevant audit information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

## 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:

A handwritten signature in dark ink, appearing to read 'AC Lovell', is written over a horizontal dotted line.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the 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

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 £
<b>Income from:</b>							
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
<b>Total income</b>		<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>
<b>Expenditure on:</b>							
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
<b>Total expenditure</b>		<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>
<b>Net income / (expenditure)</b>		<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	
<b>Net movement in funds</b>		<u>(887,979)</u>	<u>231,006</u>	<u>(656,973)</u>	<u>(18,249)</u>	<u>667,074</u>	<u>648,825</u>
<b>Reconciliation of funds:</b>							
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>
<b>Total funds carried forward</b>		<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**

		<b>2023</b>		<b>Re-stated 2022</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Intangible assets	11		2		2
Tangible assets	12		<u>764,887</u>		<u>313,631</u>
			764,889		313,633
<b>Current assets</b>					
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	
<b>Creditors: amounts falling due within one year</b>	16	<u>(1,122,668)</u>		<u>(846,242)</u>	
<b>Net current assets</b>			1,573,576		2,681,805
<b>Net assets</b>	19		<u><u>2,338,465</u></u>		<u><u>2,995,438</u></u>
<b>Funds</b>					
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>
<b>Total funds</b>			<u><u>2,338,465</u></u>		<u><u>2,995,438</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 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**

		2023		Re-stated 2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11		2		2
Tangible assets	12		696,729		237,152
Investments	13		1,000		1,000
			<u>697,731</u>		<u>238,154</u>
<b>Current assets</b>					
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>	
		<u>2,573,126</u>		<u>3,373,807</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(1,011,717)</u>		<u>(952,938)</u>	
<b>Net current assets</b>			<u>1,561,409</u>		<u>2,420,869</u>
<b>Net assets</b>	19		<u><u>2,259,140</u></u>		<u><u>2,659,023</u></u>
<b>Funds</b>					
Unrestricted funds:					
General unrestricted funds	19	772,162		1,078,051	
Designated funds	21	<u>-</u>		<u>325,000</u>	
			<u>772,162</u>		<u>1,403,051</u>
Restricted funds	20		<u>1,486,978</u>		<u>1,255,972</u>
<b>Total funds</b>			<u><u>2,259,140</u></u>		<u><u>2,659,023</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 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	£	£
<b>Cash flows from operating activities:</b>			
Net cashflow from operating activities		38,585	(135,763)
<b>Cash flows from investing activities</b>			
Bank interest received		8,687	6,384
Purchase of fixed assets		(658,484)	(72,234)
<b>Cash used in investing activities</b>		<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>
<b>Total cash and cash equivalents at the end of the year</b>		<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>
<b>Net cashflow from operating activities</b>		<u><u>38,585</u></u>	<u><u>(135,763)</u></u>



**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	75,000	2,347,480
Winchester City Council (WCC)	298,144	75,000	373,144	298,144		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>
<b>Other Local Authority grants:</b>						
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>
<b>Other grants:</b>						
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 Pavilion 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>
<b>Total grants</b>	<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
	£	£	£	£	£	£
<b>Donations</b>						
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
<b>Total donations</b>	<u>57,693</u>	<u>105,308</u>	<u>163,001</u>	<u>175,620</u>	<u>-</u>	<u>175,620</u>
<b>Total grants and donations</b>	<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**

	<b>2023</b>	<b>2022</b>
	£	£
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
<b>Profit for the financial year</b>	<u><b>70,709</b></u>	<u><b>334,839</b></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><b>79,318</b></u>	<u><b>336,413</b></u>

**Balance sheet**

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

**5 Investment income**

	<b>2023</b>	<b>2022</b>
	£	£
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	189,855	134,490
	<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
£	£	£	£
251,055	10,431	261,486	225,361

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	1,421,256	30,046	1,525,660	1,555,706
	<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 £
<b>Employment costs</b>		
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**  
**Company number: 08986225**

**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	2	2

**12 Tangible fixed assets**

**Group**

	Plant & machinery £	Computer equipment £	Fixtures & fittings £	Leasehold improve- ments £	Total £
<b>Cost</b>					
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	55,446	61,470	1,041,718	166,862	1,325,496
<b>Depreciation</b>					
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	33,388	58,100	403,306	65,815	560,609
<b>Net book value</b>					
At 31 March 2023	22,057	3,370	638,412	101,047	764,887
At 31 March 2022	19,096	9,765	167,036	117,734	313,631

	Plant & machinery £	Computer equipment £	Fixtures & fittings £	Leasehold improve- ments £	Total £
<b>Cost</b>					
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	16,592	59,881	998,855	84,451	1,159,779
<b>Depreciation</b>					
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	8,778	56,511	364,910	32,851	463,050
<b>Net book value</b>					
At 31 March 2023	7,814	3,370	633,945	51,600	696,729
At 31 March 2022	1,915	9,764	165,427	60,046	237,152

**13 Fixed asset investments**

**Trust**

	Total £
Market value or cost at 1 April 2022 and 31 March 2023	1,000
Historical cost at 1 April 2022 and 31 March 2023	1,000

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.



**Hampshire Cultural Trust**  
**Company number: 08986225**

**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 £
<b>Amounts due within 1 year:</b>				
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.

**Hampshire Cultural Trust**  
**Company number: 08986225**

**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**  
**Company number: 08986225**

20

**Funds**

Restricted Funds	Funder	Restated 1-Apr-22	Incoming YTD	Outgoing YTD	Fixed Asset Transfers	31-Mar-23
<b>Arts Council England</b>						
	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
<b>National Heritage Lottery Fund</b>						
	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
<b>Other Grant Funding</b>						
	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
<b>Donations</b>						
	Donations below £25,000	83,552	117,845	129,500	(3,960)	67,936
<b>Assets</b>						
	Capital Depreciation Reserve	-			291,671	291,671
<b>Total</b>		<b>1,255,972</b>	<b>1,614,911</b>	<b>1,383,905</b>	<b>0</b>	<b>1,486,978</b>

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.



# Hampshire Cultural Trust

Company number: 08986225

## Restricted Funds

	01-Apr-21	Incoming YTD	Outgoing YTD	Transfers	31-Mar-22	Adjustment	Restated 31-Mar-22
	£	£	£	£	£	£	£
<b>Arts Council England</b>							
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
<b>National Heritage Lottery Fund</b>							
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
<b>Other Grant Funding</b>							
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
<b>Donations</b>							
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
<b>Total</b>	<b>588,898</b>	<b>1,556,912</b>	<b>1,506,583</b>	<b>90,000</b>	<b>729,226</b>	<b>526,746</b>	<b>1,255,972</b>

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

Company number: 08986225

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		
The Engert Watford Motor Museum	Historic Vehicle Collection	Funding to support the repair of 3 historic vehicles and enhance the trusts public programme
Garfield Weston Foundation	Anglo Saxon Exhibition	Development of new Anglo Saxon attraction in Winchester
Gosport Borough Council - Cultural Development - Arts in the Park	Gosport Cultural Consortium	3-year cultural programme, funding on behalf of Historic England as part of HSHAZ
Hampshire Futures	Brighter Futures	Programme of courses for adults with mental health issues
Changing Places Grant	Changing Places	Funding for a changing places toilet facility at Gosport Museum and Art Gallery
Winchester City Council	Anglo Saxon Exhibition	Development of new Anglo Saxon attraction in Winchester
Syder Foundation	Anglo Saxon Exhibition	Development of new Anglo Saxon attraction in Winchester
Paul Hamlyn Foundation	Horizon 20:20	Paul Hamlyn funded programme working with 7 Education Centres across Hampshire
Gosport Borough Council	Gosport Venue Investment	The HSHAZ is a funded scheme administered by Historic England, focused on driving regeneration in the high street.
HCC 878AD Grant	Anglo Saxon Exhibition	Development of new Anglo Saxon attraction in Winchester
Emergency Exit Arts	Hi! Street Fest	Funding for delivery of Hi! Street Fest on behalf of Historic England
Historic England via Gosport Borough Council - Cultural Consortium	Cultural Development Gosport	Pilot of three roles development roles to progress cultural strategy with ACE

**21 Designated Funds**

	2023	2022
	£	£
Winchester Anglo-Saxon experience	0	325,000
	-	325,000

Where the trustees have agreed at board level to commit to expenditure from unrestricted funds, these monies have been designated so as to distinguish 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.

	<b>Group</b> £	<b>Charity</b> £
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.

	<b>Group</b>	<b>Charity</b>
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>