

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

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

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

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Hampshire Cultural Trust
Company number: 08986225

Trustees' report

Reference and Administrative Details

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

Trustees' report

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

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

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

Chairman's report 2024-25

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

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

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

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

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

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

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

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

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

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

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

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

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

STRATEGIC REPORT

Report on public benefit

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

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

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

Achievements and performance

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

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GOAL ONE

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

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

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

GOAL TWO

To improve wellbeing, health and happiness through cultural experiences

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

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

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

GOAL THREE

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

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

Cultural infrastructure and financial sustainability

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

Audience and customer development

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

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

Philanthropy and fundraising

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

National Portfolio Organisation delivery

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

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

Gosport Heritage Generator

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

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

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

Environmental sustainability and climate action

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

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

GOAL FOUR

To create fulfilling employment and volunteering opportunities through culture

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

Employee engagement and wellbeing

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

Learning and leadership development

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

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

Equity, diversity and inclusion

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

Volunteering

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

Our supporters

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

Financial review

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

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

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

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

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

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

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

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

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

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

Going concern

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

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

Reserves policy

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

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

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

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

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

Principal risks and uncertainties

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

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

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

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

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

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

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

Mitigating actions include:

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

Cyber security, data privacy and AI

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

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

OUR FUTURE PLANS

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

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

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

Programming and exhibitions

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

Community, learning and engagement

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

Customer experience and operations

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

Funding and infrastructure

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

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People and culture

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

Corporate governance

Structure, governance and management

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

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

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

Appointment of trustees

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

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

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

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

Trustees' report

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

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

Management and decision making

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

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

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

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

Equity, diversity and inclusion

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

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

Remuneration policies

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

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

Trustees' report

Heritage assets held as custodian trustee on behalf of others

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

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

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

Fundraising standards information

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

Statement of trustees' responsibilities

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

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

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

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

In so far as the trustees are aware:

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

Trustees' report

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

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

Small companies disclosure

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

Approved by the trustees and signed on their behalf by:


.....

AC Lovell
Chair

Date: 29 July 2025

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

Opinion

We have audited the financial statements of Hampshire Cultural Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025, which comprise Consolidated Statement of Financial Activities, the group and parent charitable company Balance Sheets, the Consolidated Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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

Auditor responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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



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

Date: 5 August 2025

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

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

All transactions are derived from continuing activities.

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

Consolidated Balance Sheet
as at 31 March 2025

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

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

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



AC Lovell
On behalf of the Board of Trustees

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

Trust Balance Sheet
as at 31 March 2025

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

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

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

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



AC Lovell

On behalf of the Board of Trustees

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

**Consolidated cashflow statement
for the year ended 31 March 2025**

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

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

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

1 Accounting policies

1.1 Charity information

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

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

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

1.2 Basis of preparation of financial statements

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

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

1.3 Income

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

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

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

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

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

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

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

1.4 Expenditure

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

1.5 Basis of allocation

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

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

1.6 Tangible fixed assets

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

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

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

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

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

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

1.7 Stock

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

1.8 Funds

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

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

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

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

1.9 Leased assets

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

1.10 Financial instruments

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

1.11 Termination benefits

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

1.12 Pension costs

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

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

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

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

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

1.13 Judgements and key sources of estimation uncertainty

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

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

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

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

1.14 Going concern

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

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

1.15 Investments

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

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

2 Grants and donations

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

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

3 Income from charitable activities

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

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

4 Income and expenditure from trading activities of subsidiaries

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

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

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

5 Investment income

	2025 £	2024 £
Investment income	49,839	15,786

All investment income in both 2025 and 2024 is unrestricted.

6 Fundraising and publicity

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

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

7 Costs of charitable activities

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

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

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

8 Auditors' remuneration

	2025 £	2024 £
Audit fees - Trust	28,500	26,000
Audit fees - Trading subsidiary	9,000	9,000

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

9 Employees

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

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

Key management personnel

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

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

Higher paid employees

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

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

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

Number of employees

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

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

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

Transactions with trustees

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

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

10 Tangible fixed assets

<u>Group</u>	Plant & machinery £	Computer equipment £	Fixtures & fittings £	Leasehold improve- ments £	Total £
Cost					
At 1 April 2024	72,796	61,470	1,041,718	166,862	1,342,846
Additions	18,301	-	18,349	-	36,650
At 31 March 2025	91,097	61,470	1,060,067	166,862	1,379,496
Depreciation					
At 1 April 2024	44,801	61,469	628,468	82,501	817,239
Charge for the year	14,189	1	328,018	16,686	358,894
At 31 March 2025	58,990	61,470	956,486	99,187	1,176,133
Net book value					
At 31 March 2025	32,107	0	103,581	67,675	203,363
At 31 March 2024	27,995	1	413,250	84,361	525,607

<u>Trust</u>	Plant & machinery £	Computer equipment £	Fixtures & fittings £	Leasehold improve- ments £	Total £
Cost					
At 1 April 2024	16,592	59,881	998,855	84,451	1,159,779
Additions	18,301	-	18,349	-	36,650
Assets transferred	8,252	-	3,188	-	11,440
At 31 March 2025	43,145	59,881	1,020,392	84,451	1,207,869
Depreciation					
At 1 April 2024	11,010	59,880	588,797	41,296	700,983
Charge for the year	9,852	1	328,017	8,445	346,315
At 31 March 2025	20,862	59,881	916,814	49,741	1,047,298
Net book value					
At 31 March 2025	22,283	0	103,578	34,710	160,571
At 31 March 2024	5,582	1	410,058	43,155	458,796

11 Fixed asset investments

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

12 Stock

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

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

13 Debtors

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

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

14 Creditors (amounts falling due within one year)

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

15 Deferred income reconciliation

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

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

16 Analysis of net assets between funds

Group

Fund balances at 31 March are represented by:

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

Trust

Fund balances at 31 March are represented by:

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

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

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

Hampshire Cultural Trust
Company number: 08986225

Restricted Funds

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

Hampshire Cultural Trust

Company number: 08986225

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

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

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

19 Commitments

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

20 Operating leases

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

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

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

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

21 Related party transactions

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

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

22 Taxation

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

23 Ultimate controlling party

The ultimate controlling party is the Board of Trustees.