

**ABSOLUTELY CULTURED LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

CONSOLIDATED ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2021

Company Number: 09106231

Charity Number: 1162199

ABSOLUTELY CULTURED LIMITED

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ABSOLUTELY CULTURED LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31st MARCH 2021

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Absolutely Cultured Ltd is a company limited by guarantee whose business is governed by a board of trustees. The company gained charitable status on 15 June 2015. The board of trustees comprises individuals who together are responsible for the governance of the charity. The company was originally formed to deliver Hull's year as the UK City of Culture in 2017 and, in September 2017, it was announced that the organisation which was set up to deliver 365 days of transformative culture, was to continue, with a much reduced and redefined remit which will form part of the city's legacy.

To reflect this change, the company changed its name from Hull UK City of Culture 2017 Limited on 24 May 2018.

The board currently consists of nine trustees and is chaired by Lee Corner. The full list of trustees is set out in the reference details below.

The full Board of trustees met four times in the period on the dates as listed:

Board Meeting Dates from 1 April 2020 – 31 March 2021

- 1 June 2020
- 8 October 2020
- 14 January 2021
- 11 March 2021 – extraordinary meeting to discuss the volunteer options appraisal

All meetings were held virtually due to the Covid 19 restrictions.

The trustees act on advice and information from the Executive which is responsible for the day-to-day management of the charity.

Recruitment and Appointment and Training of Trustees

The charity continues to refresh the board of trustees and this year saw the recruitment of three new trustees, Dr Kerry Harker, founder and Artistic Director of the East Leeds Project, Matt Gibson, co-founder, COO and CFO of Sauce, a Hull based software agency, and Charlotte Tomlinson, a creative historian specialising in place, heritage and community. These trustees were appointed after a comprehensive recruitment programme ensuring a diverse wealth of experiences and skills to add to the skillset of our existing trustees.

Councillor Stephen Brady (vice chair) and Neil Hodgkinson stepped down on 1 April 2021 following many years of service to the charity. We thank them for their service and commitment and wish them well.

ABSOLUTELY CULTURED LIMITED
REPORT OF THE TRUSTEES (CONTINUED)
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Recruitment and Appointment and Training of Trustees (Continued)

The coming year will also see Lee Corner stepping down as Chair following her term of office. The trustees undertook a robust process of identifying a suitable replacement for Lee. There were a number of strong candidates who then went through a thorough recruitment process before the final appointment was made. We are delighted to report that Lee Corner will be replaced by Lee Pitcher who was appointed to the board of trustees by e-mail vote on 27 May 2021 and ratified at the full board meeting on 8 July 2021. Lee Pitcher will take over the role of Chair from 1 September 2021 and we thank Lee Corner for her leadership and dedication as the charity transitioned from the organisation which delivered the City of Culture programme into the cultural development organisation it is today.

Lord Professor Bhikhu Parekh continues to be the company's patron.

Portfolio Responsibilities

The nine trustees of Absolutely Cultured bring specialisms and experience from all areas of business and the arts which they use to support all areas of the company's activity and in line with a smaller scale company. There is also a Finance & General Purposes (F&GP) sub-group which consists of four trustees and is chaired by Richard Lewis. Their remit is to provide a forum for the CEO to discuss matters of strategic and significant importance to the charity before presentation to the main board. The committee also reviews the annual budget, receives the audit report, appoints financial service providers, oversees financial control and reviews HR policies and pay.

The board appointed Ben Norman as senior independent director in November 2019.

Trustees to have held office during the year and up to the date of this report:

Trustee	Appointed	Resigned	Main Board Attendance out of a possible 4	F&GP Committee Attendance out of a possible 4
L.A. Corner (Chair)	20/03/18	31/08/21	4	4
Cllr S. Brady (Vice-Chair)	18/11/16	01/04/21	2	
N.R. Hodgkinson	03/10/14	01/04/21	3	
M.S. Jukes	10/05/16	-	3	
G.F. Allenby	19/07/18	-	4	4
B.P. Norman	17/07/18	-	4	4
R Lewis	13/08/19	-	4	4
Professor L Mazdon	13/08/19	-	3	
Dr K Harker	14/01/21	-	2 of 2	
M Gibson	14/01/21	-	2 of 2	1 of 1
C Tomlinson	14/01/21	-	2 of 2	
L Pitcher (Chair elect)	08/07/21	-	N/A	N/A

Group Structure

The group consists of Absolutely Cultured Ltd and Absolutely Cultured (Enterprises) Ltd which is a wholly owned subsidiary of the charity and a separately registered company. Absolutely Cultured (Enterprises) Ltd carries out non-charitable trading activities to raise funds for the work of the charity and was incorporated on 14 August 2015.

Separate consolidated financial statements incorporating the results of the charity and the subsidiary have been prepared.

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REPORT OF THE TRUSTEES (CONTINUED)
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Company Management Structure

The company is led on a day to day basis by a CEO & Artistic Director and a Senior Leadership Team.

The company structure at 31.03.21

Stephen Munn: CEO & Artistic Director

Joanne Norman: Head of Finance

Janine Crombie: Head of Public Engagement

Lindsay Stockley: Head of Creative Programmes

OBJECTIVES

Mission

To increase the value and relevance of arts and culture in people's lives through actively enabling Hull's cultural development.

Absolutely Cultured works in partnership across the city to ensure that the spark that was lit in Hull UK City of Culture 2017 never goes out and that we continue to evolve and shape our city with creativity at its heart. We bring together collective voices, expertise and talents to be greater than the sum of our parts. We facilitate social, economic and cultural change by placing the arts and creativity at the heart of people's lives, their ambitions and aspirations.

Vision

To enrich the lives of the people of Hull through facilitating cultural programmes of excellence

Hull is a city with a thriving and internationally recognised cultural offer which is a driving force in the city's prosperity, is valued by the people of Hull and which Absolutely Cultured is central to making happen.

Hull. Where the creation and creativity of arts and culture are embraced, valued and intrinsically linked to the prosperity of the city and to enriching people's lives.

Hull. Among the most culturally engaged cities in the UK, where local, national and international arts and culture are part of the City's DNA and as available as water.

Hull. Where opportunities to engage in the arts and culture are varied and prevalent.

Hull. Where careers in the arts and cultural and creative industries are real options, with ambitions and aspirations nurtured and supported.

Aims

Absolutely Cultured Aims to:

- Be an exemplar organisation unique in its delivery of its Cultural & Public Engagement Programmes
- Work with a range of cross-sector partners to maximise the positive impact of Arts & Culture in the city of Kingston upon Hull
- Be a welcoming, productive and creative environment for all our staff, partners and audiences
- Place diversity at the centre of the organisation
- Have a local, national and international impact through a strong partnership approach
- Present the best Cultural Programme possible to as wide an audience as possible
- Encourage cross art form participation for all ages
- Provide a creative environment & supportive culture for artists at all stages of their career
- Provide excellent learning opportunities through Generation Hull and all Learning Programmes
- Be commercially minded striking an appropriate arts and business balance

ABSOLUTELY CULTURED LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31st MARCH 2021

Objects

The charity's objects ('Objects') are specifically restricted to the following:

- (1) To advance the education of the general public in the arts and the artistic and cultural heritage of the City of Hull and in particular the arts of performance, music, drama, poetry reading, sculpture, painting, handicrafts and all other associated arts;
- (2) To advance the arts in particular the arts of performance, music, drama, poetry reading, sculpture, painting, handicrafts and all other associated arts, by encouraging public participation in the said arts and by the presentation of concert, performances, exhibitions and festivals provided that the promotion of such festivals and events is undertaken solely for the Public Benefit;
- (3) To promote the arts and heritage for the benefit of the public within the City of Hull in particular but not exclusively by supporting and representing the arts and heritage sector through promotion representation and development;
- (4) To further such other charitable purposes beneficial to the community consistent with objects (1) (2) and (3) above as the trustees shall in their absolute discretion determine.

Related parties and co-operation with other organisations

The trustees (with the exception of the Chair) are not remunerated and receive no other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with business partners, sponsors or suppliers is disclosed to the full board of trustees in the same way as any other contractual relationship with a related party.

STRATEGIC REPORT

The Board of Trustees is responsible for the strategic direction of the charity. The trustees delegate authority for all day-to-day management of the company affairs to the Senior Leadership Team led by the CEO and Artistic Director. Both Board and Management are committed to maintaining constructive dialogue with other key stakeholders, engaging regularly to understand their perspectives.

The trustee's primary responsibility is to promote the long term success of the company through facilitating cultural programmes of excellence which enriches the lives of the people of Hull. The trustees, along with the CEO & Artistic Director and Head of Finance, annually review the budget and artistic policy & programme and monitor the implementation and performance of these throughout the year. There are considerations to external factors such as the economic and political conditions in relation to the arts in general, competition for grants from trusts and foundations and the global pandemic impacting on our consumers ability to access activity. They take the reputation of the company seriously, which is not limited to operating and financial performance, and have committed to diversity and inclusivity across Absolutely Cultured's workforce, own board membership and the artists we engage with. Within recruitment practices, we actively promote inclusivity through offering applicants to opportunity to apply via recorded application, to propose alternative working arrangements such as job share and have engaged 5 staff through the Government Kickstart scheme giving work opportunities to young people across the company.

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Key Achievements and Performance

Absolutely Cultured is a cultural development organisation working across artforms to create opportunity and space for amazing cultural experiences to happen. With the appointment of Stephen Munn in October 2019 the company has reaffirmed its role with a clear strategic focus on Place Shaping, Social Cohesion and Partnership working across the city. The team have worked to bring together collective voices, expertise and talents to be greater than the sum of our parts. We facilitate social, economic and cultural change by placing the arts and creativity at the heart of people's lives, their ambitions and aspirations.

2020/21 has been an extraordinary year with the world coming to terms with how to cope with the spread of the Covid 19 Virus. The Cultural Sector in the UK has been assaulted on all fronts and forced to intrinsically examine its workings and how it can secure a sustainable future. The appetite for cultural activity throughout the year has been evident through the array of new online programming made available, organisations having to find new digital ways of working / presenting.

Cultural organisations have been forced to look long and hard at outputs and their place in the communities in which they sit, what value do they really bring to 'Place' given the enormity of the challenges created by Covid 19? The Arts Council England (ACE) Lets Create Strategy stated outcomes of Creative People, Cultural Communities and A Creative & Cultural Country have never seemed more relevant as a working framework for the Sector.

As we work towards securing ACE National Portfolio funding from April 2023 we are working as an organisation to embody their four Investment Principles -

- **Inclusivity & Relevance** - England's diversity is fully reflected in the individuals and organisations we support and the culture they produce
- **Dynamism** - Cultural organisations and individuals are dynamic and able to respond to the challenges of the next decade
- **Ambition & Quality** - Cultural organisations and individuals are ambitious and committed to improving the quality of their work
- **Environmental Responsibility** - Cultural organisations and individuals lead the way in their approach to environmental responsibility

This process is driven by what we believe a strong, successful, sustainable cultural organisation should be founded on and informs on the eight Absolutely Cultured Business Plan Objectives. The Investment Principles are intrinsically linked to developing the organisational culture with an instinctive drive to improve. Four IP working groups are in operation comprising of both staff & trustees to ensure that the principles are fully in-bedded across the organisation.

As we entered this financial year, we had just gone into the first lockdown, we moved exhibitions online, deferred ones we couldn't and negotiated with funders regarding terms of restricted grants. Staff were placed on periods of furlough with the CEO & Artistic Director and Head of Finance continuing to work with the trustees to navigate a way through to reopening. During this time the charity undertook two options appraisals, one regarding the future of Humber Street Gallery and the other relating to the citywide volunteering programme.

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Key Achievements and Performance (Continued)

The outcome of the Humber Street Gallery options appraisal was that it was a natural fit with the charity. Its programme and activity align with the objectives of the charity and the wider Absolutely Cultured staff team all work from this venue ensuring a cross artform programme can be delivered through collaborative working. This was approved by the board of trustees at the meeting in October 2020.

The Volunteer Programme options appraisal was concluded in March 2021 with a decision to transition the citywide element to Visit Hull & East Yorkshire (VHEY), a partnership organisation between the unitary authorities of Kingston upon Hull & East Riding of Yorkshire, by September 2021. A three year funding agreement has been secured with Spirit of 2012 to support this transition. Two staff members will be transferring to VHEY as part of this transfer and we are working collaboratively with VHEY to affect this transfer smoothly for the volunteers, host organisations and staff involved in the programme. The transfer of this programme to VHEY was approved by the board of trustees at an Extraordinary Meeting called on the 11 March 2021. The Social Action function will remain with Absolutely Cultured and be part of the Creative Programme.

Key Developments 2020/21

Covid 19, although devastating, has highlighted how resourceful Absolutely Cultured is and how as a team we have pulled together both creatively and from a business planning perspective. We moved seamlessly to remote working in March 2020 with our IT infrastructure easily coping with the transition. Staff rose to the challenge of digital working with back up provided by our IT support Ability IT. While our Creative Programme went successfully online, we 'scenario planned' and wrote the Business Plan 2021/22. We used the Government Furlough Scheme to avoid redundancies constantly reviewing what was required to get the venue up and running in the safest possible way. Humber Street Gallery opened its doors to the public July 2020 – October 2020 before closing again until May 2021 – ticketing for all exhibitions has been introduced as well as Track & Trace.

Covid – 19 impacted us significantly with two Lockdown periods ceasing all programme delivery including Bloomberg Contemporaries 2020, scheduled for September 2020, now September 2021. The Programme has been rescheduled wherever possible.

Cultural Programme

- The Volunteer Programme was a leading partner in the Citywide Emergency Response March – August 20 delivering over 1000 shifts.
- Jamie Crewe awarded Turner Prize Bursary – Solidarity in Love exhibition at HSG January 2020 to August 2020
- Other Exhibitions presented: Lucy Clout, Practice in Place Group Show and Leo Fitzmaurice. All of these having some period being open to the public as well as converting to digital.
- 3 x Commissions awarded for Floodlights 2021 – Vent Media, Limbic Cinema, Studio McGuire to be presented October 2021.
- Comprehensive Remote Talent Development Programme delivered including partnership project with Leeds 2023 supporting 10 early career local producers through the HIPI Programme
- Digital - Eight Online Artist Micro Commissions created and presented. Creation of new online KS1 learning resource for children
- Social Action: Peel St Park Project (artist: Sergej Komkov) & Gipsyville Mural (artist: Andy Pea)
- Presentations: Middle Child Signal Fires Sold Out, moved online & Opera North film La Petite Bohème postponed

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REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2021

Key Developments 2020/21 (Continued)

Organisational

- Furlough period March 2020 – April 2021, and a strategic approach was taken with all staff except the CEO & Artistic Director and Head of Finance placed on full time furlough initially. As the guidance was amended and part time furlough was introduced, we were able to structure a gradual and targeted return to work. . The premises were closed, and all staff requested to work from home in line with Government Guidelines.
- Planned Organisational Review of the Corporate Department undertaken July 2020, appropriate restructure implemented resulting in one redundancy.
- Humber Street Gallery Options Analysis completed July 2020 with recommendations to the board October 2020 – remain based at HSG for next three years.
- Hull City Council's Future High Street Bid for Whitefriargate was unsuccessful, this impacted on a possible joint venture to develop a multi art form centre in one of the former stores.
- Volunteering Programme Viability Review completed with transfer of citywide programme to VHEY by September 2021.
- HSG Café / Bar has been refurbished in partnership with One M Events Ltd – this reopened 19 May in line with government guidelines and is more vibrant venue.
- The charity has accessed the Government Kickstart Scheme for 18 – 24 year olds; recruiting 2 x Front of House & 2 x Digital Media and a fundraising post. It is hoped that these may become permanent positions, funding dependant.
- The senior independent trustee undertook an evaluation of the effectiveness of the chair, over the period March to August 2020, as part of the charity's good governance practices, structured feedback was gathered from national and local stakeholders, other trustees and staff.
- Chair of the board of trustees' term ends after March 2021 (term extended to August 21), recruitment process underway with a chair elect recruited and due to start in September 2021.

2020/21 projects include:

Volunteer Programme - Citywide Emergency Response (April – August 2020)

In response to the coronavirus pandemic, the Volunteer Programme has worked with Hull City Council to provide support around assisting those who were self-isolating in terms of food and medication delivery and welfare checks. Volunteers staffed a telephone befriending service to support those who were lonely and isolated due to the pandemic, named after the Volunteer Programme initiative 'Chatty Hull' which had a similar aim: to get people talking. Feedback indicates that the emergency response effort has been mutually beneficial to both volunteers and residents (see below). Volunteers report it has given them a purpose during uncertain and often lonely times and, in some cases, opened their eyes to the needs of local communities. Bringing together a variety of VCS groups to deal with the crisis has also facilitated new partnerships and improved working relationships for the Volunteer Programme Team, who have been given a platform to share expertise and learning with others and demonstrate that the programme can – and is willing to – support other organisations across the city. In total volunteers completed 1,686 shifts which is equivalent to 4,125 hours of volunteering.

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Creative Micro Commission Programme (March – August 2020)

In March 2020 we launched the Creative Micro-Commission Programme, offering £350 to creative practitioners across Hull and the North of England. The aim was to produce a new work, from any discipline, within the limits of working under current social distancing measures. The programme was designed to enable artists to respond and create new work quickly, encouraging the space and freedom to try out new ideas and ways of creating work for online presentation. Initially we planned to commission six new pieces but, due to the overwhelming response, we increased the selection to eight pieces.

Practice in Place Exhibition (September – November 2020)

Practice in Place was the culminating activity of Fruit Factory Network, a year-long pilot programme created to support the development of visual artists living and working in Hull.

The programme was centred around visits to some of the UK's visual art hubs, museums, galleries, residency programmes and artist-run spaces to showcase leading examples, as well as connecting artists from Hull with arts professionals working across the country. Practice in Place saw the participants exhibit a varied collection of works at Humber Street Gallery. The artists produced responses to a multitude of concerns including climate change, displacement and migration, and have done so through a variety of art forms, including painting, photography, film and more.

Social Action – Gipsyville Mural and Peel Street Park

The Shires Imagination Alley is a mural spanning 120 metres and is part of a social action project which will also involve improvements to pocket spaces that are frequently fly tipped. Volunteers have been working with local partners and residents in The Shires to make positive changes to their neighbourhood. This project is part of a series that have been taking place since 2018 that use creative approaches to respond to what local people told us matter to them most. The mural design was created and led on by Andy Pea, who had help from volunteers and residents of all ages, coming together to contribute on various open paint days. The hope is that this colourful backdrop will now provide inspiration for the younger generation and encourage them to use their imagination for play.

The Peel Street Park regeneration project consists of physical works to the park including, new play equipment and football nets. We have worked with Hull City Council's neighbourhood team to add brand new play equipment which has been painted with unique artwork by local artist Sergej Komkov. We've also commissioned a "Peel Street Park" mural by Lydia Capriani, brightening up the area using the "True Colours of Spring Bank" palette, developed by ArtLink and local residents.

Looking Ahead

We as an organisation understand the importance of horizon scanning and how it is integral of being a dynamic organisation allowing for adaptive resilience within an ever-changing world.

Key Developments 2021/22

Year One of a Two Year transitional plan working towards ACE National Portfolio Organisation (NPO) status from April 2023 and establishing a sustainable Mixed Economy model. Covid 19 and the roll out of the vaccine distribution plan will have an impact on how the organisation operates throughout the year.

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Cultural Programme

- Water 2021 Project delivered October 2021: 3 x city centre installations in partnership with Yorkshire Water & University of Hull
- Creative Hull delivered July 2021 – a celebration of creativity across the city and its communities. Setting the signature for the organisation’s creative future direction
- Exhibition Programme includes – Hannah Quinlan & Rosie Hastings, Jasleen Kaur, Trade Talks
- Inter-Change a creative practitioner development programme producing an exhibition & events
- HSG Events Programme established including performance, music & spoken word
- Satellite Creative Centre model developed in Gipsyville and Spring Bank
- Talent Development Programme including partnership with Hull College
- Autumn 21 & Spring 22 - Test Physical Performance Partnership Programme presented including the Gulbenkian Studio Theatre University of Hull, one performance per season
- Development of Learning programme – Artist Residency in a school and community group within Gipsyville and Springbank

Organisational

- Volunteer Programme new mechanism / structure in place
- Research potential small-scale capital application re HSG adjoining space
- Explore developing sustainable Creative Hull satellite centres in Gipsyville and Springbank
- New HSG lease signed for April 2021 – March 2024
- New chair of the board of trustees commences role in September 2021

The Cultural Programme

There are three distinctive strands of the Cultural Programme which although operate individually are linked through a cohesive approach to programming shaped by the Artistic Policy and Learning Strategy.

- **Programming & Curating:** Exhibitions, performance, installations and events
- **Social Action:** Having a positive impact on every part of the city
- **Talent Development & Learning:** Giving everyone access to cultural education and career opportunities in the arts

New Developments

We plan over the next two years to explore developing our operation in the following areas.

1. With ACE Legacy Funding coming to an end in November 2021 the organisation will move away from producing largescale outdoor events as part of its core programme. The reason for this is that this scale of event is not financially sustainable for the charity and also that there is an opportunity to fill a void in the programming and producing of innovative small to middle scale physical performance work in the city. We will test a programme during 2021/22 with a view to fully develop over the next three years.
2. The creation of Community Satellite Hubs in the areas of Gipsyville and Springbank. These hubs will be the venues for sustained arts activity using existing community buildings such as Springbank Community Centre as the foundation. We will create cultural bridges from the City Centre to these deprived areas to allow for connection and ownership for people living in isolated communities. Our Talent Development & Learning programmes as well as our commitment to social action will offer routes into the Arts and Culture Sector enhancing social mobility within these areas.

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New Developments (Continued)

3. A small-scale capital project will be researched which will look to creating a new dance / creation studio in an adjoining space to Humber Street Gallery. We will work with Wykeland, HCC, ACE and local artists to look at the feasibility of an artist run space where freelance artists can work from. The lack of dance infrastructure is evident in the city, and this would provide a much-needed resource for the cultural community and fits with the programme direction stated above. ACE Small Scale Capital Grants 2019/20: £100k - £500k, the fund is currently closed but expected to open 2021/22.

Cultural Sector Development

The creation of the Cultural Compact (a cross sector cultural leadership group) in 2021 born out of Cultural and Place Strategic Advisory Group (CAPSAG) will be fundamental to the development and ownership of the city's cultural strategy and the structures put in place for its implementation. The role of the Cultural Collisions Group (a collection of the Arts Council regularly funded organisations and NPO's based in the city) will be critical in the delivery of the strategy with a cohesive partnership approach. Generation Hull (the Local Cultural Education Partnership) has a new independent chair who will sit on the Cultural Compact championing cultural education in the city.

Employees

There is an understanding of the importance of the company's employees to the longer term success of the Charity.

During the year, the company furloughed the most of its staff to secure their employment. In order to ensure employees were not financially disadvantaged, the trustees elected to utilise unrestricted reserves to make up the shortfall in the grant payment to full pay. During this challenging period, the trustees also undertook the second phase of the planned review of the company structure with a focus on the corporate team. This review resulted in the redundancy of the role of Business Director from the company structure. Employees affected by this process were supported throughout and the company offers external job ready support for employees affected by redundancy.

The company regularly communicates to its employees through weekly whole team briefings, organisation wide e-mails and department meetings. Trustees are invited to team meetings in order to foster open relationships with employees. A bi-annual employee survey is undertaken to allow for honest feedback about their experience working at Absolutely Cultured.

These surveys are shared and reviewed by the board and senior leadership team. Staff engagement is high with all employees completing the latest survey. In response to the latest survey undertaken during the Covid Pandemic and covering impact and future working habits, the company has implemented a flexible working policy with a blend of office and home working.

As part of the business planning and creative programming process, the company holds a number of sessions with all employees including branding, tone of voice, business plan implementation and creative planning, empowering our employees to develop and implement ideas which contribute to the success of the company. Through this process our employees have created a high quality, inclusive and engaging programme which has been well received by our audiences such as the Micro Commission Programme, which was in response to the pandemic closing the gallery and our staff devising an alternative exhibition.

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Funding Partners

As a charitable company, the company's funding partners are significant stakeholders. Relationships with these Partners are held at all levels across both the company and the funding partner's organisation.

Regular meetings are held with the major funders to ensure they are fully conversant with the planned programme of creative events, impact on grant funding and impact on the community at large.

The company's major stakeholder is Arts Council England, and they are invited as an observer to the company board meetings and to sit on working groups relating to organisational development and change. During the Covid 19 pandemic, the Arts Council has been extremely supportive to the charity. Regular communication between the senior leadership team and staff at the Arts Council ensured flexibility in both our planned programme, reporting requirements and grant payment schedule. For this, we are very grateful.

Spirit of 2012 have been a major stakeholder since City of Culture 2017 and have worked closely with the trustees and senior leadership team to ensure the sustainability of the Volunteer Programme born out of that year long event.

During this financial year, the trustees were faced with an important decision about the future of the volunteering programme. The current funding agreement was coming to an end, prompting the trustees to reconsider the future of this important and very successful programme and how to ensure its success and sustainability going forwards. The trustees agreed that having the volunteer programme situated within an arts charity was limiting its full potential (as highlighted in the volunteer response to the city's need during the pandemic) and, following a robust consultation and evaluation which included volunteers, staff, potential future host organisations and our funding partners, this programme will be moving to a new host, Visit Hull & East Yorkshire (VHEY), in Autumn 2021.

Whilst Absolutely Cultured provided a suitable platform for the programme until now, the programme's success has grown beyond arts and culture, and we are confident that the initiative will have the biggest impact and best outcome for the city and the East Riding at VHEY. We remain committed, and look forward to, continuing to work with the volunteers and the programme in its new configuration in the future.

Public and Community at Large

The Company objectives are charitable by their very nature, being that Absolutely Cultured Limited is established as a Charitable Company. All activity is directed towards being of public benefit and the majority of the activity is free to access. During the year the Company has supported the City of Hull's Covid response effort, with the volunteer programme delivering 4,125 hours of support over this period, often supporting the most vulnerable of our population. Through this, we were able to deliver creative activities as well as shopping and medicine to often isolated people.

The Company supports and develops new and emerging creative practitioners across multiple artforms, offering courses, supporting funding applications and giving them a platform to exhibit. The Company also works in two of the most deprived areas of the city of Hull, working in partnership with local people to develop their own neighbourhood through creative practices. In one area, the local park has been repaired and the surrounding area improved through murals and improved equipment. Partnerships have been forged with the local community, mosque and shop owners.

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Suppliers

The trustees appreciate the importance of Absolutely Cultured suppliers in delivering the long-term plans of the company, many of which are independent creative practitioners and rely on timely payment of invoices to live. During this financial year, the volume of invoices the company received was very low and, due to both the furloughing of the Company's employees and the low volume of purchase invoices received over this financial year, the Company paid all suppliers on the last day each month resulting in a very small number being paid after 30 days. The company has reverted to twice monthly payments from the beginning of the 2021/22 financial year to ensure all invoices are paid within a maximum of 30 days from when they are received.

Environment

As a publicly funded organisation the trustees understand that they have a moral and social responsibility to our employees and audiences to be environmentally conscious in all its strategic and operational outputs. We do this because as an organisation we are invested in our community and long term 'green' sustainability planning. The trustees realise that this is an area where we need to invest and improve.

The trustees have ambitions to reduce the company's carbon footprint by reducing its use of energy and mains water, reducing waste going to landfill, moving to paperless financial systems and to implement environmentally sustainable activities such as ensuring we power down when the building is not occupied, buying local to reduce transport impacts, creating a green roof to reduce heating costs and moving to a brown water collection system to reduce mains water usage.

The trustees actively supported the company to register with Creative Green Tools, a set of online tools designed for the creative industries created by Julia's Bicycles, to understand the environmental impacts of cultural buildings, offices, outdoor events, tours and productions. This will aid the trustees in setting realistic KPI's to be agreed and implemented over the medium and long term and will form part of the regular reporting to the board.

Covid

The outbreak of Covid 19 occurred at the very start of this reporting period and has impacted the company, funders, employees, suppliers and the public at large ever since. This has had major disruption to the activities of the company and its ability to deliver the programme planned for the reporting year and into the following financial year.

In order to adapt, we have undertaken a review of the impacts of the pandemic on our principal risks to identify new opportunities or risks which may change significantly. As a company that exhibits art and delivers cultural events, our approach to the crisis went through three key phases: firstly to close our venues and activities to the public and move to presenting these via digital media and moving to remote working for our whole staff team; secondly, adapting to remote working and identify which posts should be furloughed to ensure the organisation was sustainable through the crisis; followed by adapting to the remote working and a managed process of reopening to the public following lockdown easing.

ABSOLUTELY CULTURED LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31st MARCH 2021

Covid (Continued)

The company was well positioned to establish a working from home protocol having invested in the technology and systems that support a flexible working arrangement. Employees all completed home working risk assessments and, where reasonable adjustments or equipment was identified as a need, this was quickly supplied. Effective use was made of online tools such as Microsoft Teams and Zoom to move meetings online and all events and exhibitions are digitally recorded as a matter of course, ensuring access to these was available.

With the company's funding directly linked to activity the trustees, in consultation with employees, accessed the Government Job Retention scheme and furloughed employees whose workload was most affected by the inability to deliver creative activity. In line with the trustees' view that employees are an important part of the company's success, the trustees elected to enhance this payment to full pay for all employees who were furloughed.

During this crisis, we have maintained in close contact with the local authority and other key stakeholders enabling us to react and adapt to any changing circumstances and minimise the risk to the public who access our activities, suppliers and employees. Looking ahead, we will review the lessons learned during the crisis and incorporate updates to our risk management framework.

Going Concern

As trustees, we are required to review and comment whether the charity is a going concern and to the effect have looked at the organisation's cash flow, budgets to 31 March 2023 and level of unrestricted reserves. We have taken advantage of the grants that were made available to us by the national and local governments and taken some tough decisions regarding use of charitable funds.

With a prudent approach, we consider the extent of the charity reserves, without any additional income from grants or trading activities, to be sufficient to cover all operating costs of the charity until at least March 2023 and therefore we consider that the financial statements be prepared on the going concern basis of accounting.

Financial Performance

Covid 19 has had a significant impact on the financial performance of 2020/21 as a significant amount of planned activity did not go ahead and was deferred into 2021/22. This has resulted in income from restricted grants received in advance of expenditure not being recognised in this period, yet the cash being received into our bank account. It also has resulted in a significant reduction of income compared with previous periods.

As we were required to defer restricted income into 2021/22 due to the activity not taking place, we sought to minimise the impact on our unrestricted income and furloughed staff. Income from the government furlough scheme totalled £101,098 and this enabled us to retain our staff team during this challenging time. Total income for the year, including donations in kind and investment income was £777,250. This was applied towards the planning and delivery of the year across all activity areas. In total this expenditure amounted to £943,505.

The above resulted in an excess of expenditure over income for the year of £166,255.

When deducted from the accumulated surplus from prior periods, there remains unrestricted funds of £1,918,770.

ABSOLUTELY CULTURED LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31st MARCH 2021

Looking forward, the Covid 19 pandemic continues to impact on all aspects of the programme for the financial year 2021/22. The ACE Legacy grant was due to have been fully expended by March 2021 and the ACE G4A grant by November 2020. The programme funded by both of these grants has not yet been delivered and we plan to complete these by November 2021. The ACE HIPI grant was due to complete in March 2020, but lockdown 1 caused all activity to cease. This was moved to remote activity with online networking sessions and peer to peer support. This grant was finalised in March 2021 and signed off by the Arts Council in May 2021.

The majority of the charity's funding was due to expire in March 2021. As the country went into lockdown in March 2020 many grant giving bodies closed their application portals to new applications whilst they evaluated their response. Many of these funders have started to reopen to new applications but we, like many other charities, are now working hard to submit applications, secure funding, and build momentum that was lost during lockdowns. We have secured a £200,000 project grant from ACE over 1 year, £198,000 over 3 years from Esmeé Fairbairn foundation and £40,000 over 1 year from Hull City Council. Whilst we continue to submit applications to other funders, our current projections for 2021/22, are income of £847,198 and expenditure of £1,346,444, the deficit being underwritten from our unrestricted reserves. The use of reserves for this purpose has been fully discussed by the trustees and following guidance from both the Arts Council and the Charity Commission.

We have also developed a fundraising strategy which incorporates a mixed economy approach. A greater focus on commercial income is being developed and we aim to increase income through our café franchise, merchandise, classes and delivery of further and higher education course modules in partnership with the local college and university. We are also developing our fundraising with commercial sponsorship and individual giving to increase our income from donors interested in supporting the arts and cultural sector. We understand the funding landscape is challenging and have factored in various scenarios to ensure that we remain a viable organisation.

Risk

Principal Risks and Uncertainties

At the end of the reporting period in these accounts the global pandemic, Covid 19, had closed down our venue for the third time and curtailed activity. At the time of writing there has been a lifting of some of the restrictions as we work through the easing timetable, and we have reopened the gallery with the Leo Fitzmaurice exhibition in both Space 1 and 2 and the café bar including the roof terrace.

Throughout 2020/21, we have utilised the Government furlough scheme for the majority of our staff and accessed the small business rate grant scheme in order to mitigate some of the costs that would need to be covered from unrestricted reserves. We sought approval from funders to defer their grants so we could deliver the planned programme when it became safe to do so again. However, our significant risks continue to be the impact these delays have had on our reserves, not all our core costs could be covered by the furlough grant and small business rate grants and the restricted grants can only be used for the purpose given, this has meant that we have drawn more on our reserves than we would have normally expected to. The closure of grant funds by major trusts and foundations also meant that we were unable to apply for additional funding. Whilst these are now reopening, we do not expect to be successful with every application as there are a lot of organisations seeking funding and a finite amount of funds available. Taking a realistic and strategic approach, it is anticipated that we will need to utilise unrestricted reserves for the next two years in order to deliver our planned programme. The major uncertainty is whether we will achieve success in securing full funding in this timeframe and the impact on our financial sustainability if we do not.

ABSOLUTELY CULTURED LIMITED
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2021

The Management of Risk

The trustees recognise their duty to identify and review risks to which the Charity is exposed and to ensure appropriate controls are in place to give assurance against error and fraud. The company has well managed appropriate management and governance procedures in place with a systematic programme of review in place. A comprehensive risk register is maintained and updated to reflect live risks, with risks owned and managed by the relevant Senior Manager. Risks and their mitigating actions are reviewed at the quarterly Risk Management meetings by the senior management and quarterly at the Finance & General Purpose meeting with main risks reported to the full board meeting of trustees quarterly. A copy of the full risk register is also shared with several the company's key funders.

With an unclear programme and no clear route to financial sustainability created by the pandemic, the senior management have maintained continued dialogue with the Arts Council, local authority and other major stakeholders during this period in order to monitor and mitigate these risks. They have carried out options appraisals of the various elements of the organisation and undertaken scenario planning and stress testing of plans. The current programme has been adjusted, some elements dropped and others, such as digital platforms for art, introduced. The online learning programme for schools introduced during the City of Culture year was refreshed and put online to support schools through lockdown.

The trustees have been kept apprised of all developments and the impact of these on our financial resilience and requirement to utilise unrestricted reserves. A fundraising strategy and action plan has been developed and the senior team are currently working on these to achieve a positive outcome for the organisation.

Full risk assessments of the venue for both visitors and staff has been undertaken and the organisation has reopened to the public in a covid safe manner.

Each public facing activity undertaken by the company requires an event plan to be undertaken whereby all risks including health & safety and safeguarding are assessed and appropriate plans put in place.

Policies on Reserves

The charity's policy on reserves was approved at the full board meeting on 14 January 2021 and was rewritten to reflect the Covid 19 pandemic, the effect on the cultural funding landscape and the charity's strategic objective of securing NPO status in 2023. The policy looks at: -

- The implications of the current funding landscape and the charity's ability to raise grant funding to the levels required in the short term to fund ongoing activities.
- The strategic plan to develop the organisation into a creative hub, with an art gallery, a talent development programme, community engagement activities and outdoor productions culminating in NPO status in the 2023 round and the resources needed to sustain and develop the organisation in order to achieve this.
- What costs have been committed and would need to be honoured if the charity failed to achieve NPO status or other continuation funding. This includes salary and redundancy costs, contracts for services and general running costs including exit costs.

The trustees have established that a reserve of £550,000 is required to meet ongoing commitments and cover timing differences of receipts. Current reserves exceed this figure and plans have been drawn up for effective management of the reserves in support of the charitable objectives.

ABSOLUTELY CULTURED LIMITED
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2021

Designated reserves included within the Charity's unrestricted reserves have been calculated as follows:

	Brought forward	Additions	Utilised	Carried forward
3 Month Salaries	£167,991	£0	£(34,539)	£133,452
Redundancy Costs	£8,583	£7,090	£(3,228)	£12,445
3 Month Running Costs	£41,444	£0	£(3,124)	£38,320
Contractual Expenditure	£44,112	£115,236	£(44,112)	£115,236
Programme Funding Deficit / Match Funding	£200,339	£535,337	£(168,218)	£567,458
Total	£462,469	£657,663	£(253,221)	£866,911

Public Benefit

The trustees are of the opinion that the nature of the Charity's activities and the geographical area over which it operates are such that it fulfils the public benefit criteria as specified by the Charity Commission. Further, the trustees confirm that they have complied with the duty in Paragraph 17(5) the Charities Act 2011 with regard to following guidance published by the Charity Commission in connection with public benefits.

ABSOLUTELY CULTURED LIMITED
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name: Absolutely Cultured Limited
Charity Reg No: 1162199
Company Reg No: 09106231
Registered Office: 64-65 Humber Street, Hull, HU1 1TU
Contact Details: Tel: 01482 304454
Email: info@absolutelycultured.co.uk
Website: www.absolutelycultured.co.uk

Bankers: National Westminster Bank plc, 34 King Edward Street Hull, HU1 3SS

Auditors: Dutton Moore, Aldgate House, 1-4 Market Place, Hull, HU1 1RS

Solicitors: Rollits, Citadel House, 58 High Street, Hull, HU1 1QE

Statement as to Disclosure of Information to Auditors

So far as the trustees (in their capacity as directors of the charitable company) are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware and each trustee has taken all the steps that he or she ought to have taken as a trustee in order to make him/herself aware of any audit information and to establish that the charitable company's auditors are aware of that information.

ON BEHALF OF THE BOARD



L. PITCHER

CHAIR OF THE BOARD

7th OCTOBER 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ABSOLUTELY CULTURED LIMITED

Opinion

We have audited the financial statements of Absolutely Cultured Limited (the "Charity") for the year ended 31st March 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and Charity's affairs as at 31st March 2021 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK. 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ABSOLUTELY CULTURED LIMITED

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.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the parent charitable company's financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ABSOLUTELY CULTURED LIMITED

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees 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 they 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Our 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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ABSOLUTELY CULTURED LIMITED

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:

- The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the most significant laws and regulations were FRS 102, the Companies Act 2006, Charities Act 2011, Statement of Recommended Practice (SORP) and taxation legislation. In addition, we considered other laws and regulations which may be fundamental to the company's ability to operate, namely health and safety and employment law. We assessed the extent of compliance with these laws and regulations as part of our audit procedures which included discussions with management.
- The susceptibility of the company's financial statements to misstatement, including fraud, was assessed. The audit team discussed how and where fraud might occur in the financial statements. We identified and considered the controls that had been put in place to prevent and detect fraud. Other audit procedures carried out included the assessment of the appropriateness of journal entries and whether any accounting estimates indicated any potential bias.

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit has been properly planned and performed in accordance with auditing standards (ISAs (UK)).



Mark Wilson FCCA
Senior Statutory Auditor
For and on behalf of
DUTTON MOORE
CHARTERED ACCOUNTANTS
STATUTORY AUDITOR

7th October 2021

Aldgate House
1-4 Market Place
Hull
HU1 1RS

ABSOLUTELY CULTURED LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing a trustees annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.
- e) Observe the methods and principles in the Charities SORP.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Companies Act 2006 and the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2019). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

In addition to the general duties of trustees specified in section 170 to 177 of the Companies Act, the trustees are responsible for ensuring that the company complies with law and regulations applicable to its activities, and for establishing arrangements designed to prevent any non-compliance with laws and regulations and to detect any that occur.

ABSOLUTELY CULTURED LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31st MARCH 2021

	Notes	Unrestricted funds	Restricted funds	Total 2021	Total 2020
Income					
Donations	4(a)	14,439	359,678	374,117	1,720,604
Investment income	4(a)	1,717	-	1,717	6,043
Income from trading activities	4(a)	251,000	-	251,000	389,395
Other	4(a)	150,416	-	150,416	95,021
Total income		£417,572	£359,678	£777,250	£2,211,063
Expenditure					
Expenditure on charitable activities	5(a)	535,940	407,565	943,505	2,250,179
Total expenditure		£535,940	£407,565	£943,505	£2,250,179
Net income before transfers		(118,368)	(47,887)	(166,255)	(39,116)
Transfers between funds	17				-
Net income and net movement in funds for the year		(118,368)	(47,887)	(166,255)	(39,116)
Reconciliation of funds	15/16				
Total funds brought forward		2,037,138	47,887	2,085,025	2,124,141
Total funds carried forward		1,918,770	-	1,918,770	£2,085,025

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

ABSOLUTELY CULTURED LIMITED
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31st MARCH 2021

	Notes	2021	2020
Income receivable	4(a)	767,221	2,205,020
Less Administrative expenses		415,630	678,384
Marketing, communications and volunteering		77,844	452,830
Partnerships and development		38,090	71,020
Programming and delivery		403,629	1,047,945
		(935,193)	(2,250,179)
Operating (deficit) / surplus	6	(169,972)	(45,159)
Add Interest receivable	4(a)	1,717	6,043
(Deficit) / surplus on ordinary activities for the period		(166,255)	(39,116)
Accumulated surplus, brought forward		2,085,025	2,124,141
Accumulated surplus, carried forward		£1,918,770	£2,085,025

All of the activities undertaken by the company during 2021 and 2020 are continuing activities.

The results reported above exclude donations in kind to the value of £8,312 (2020: £46,127) included in the incoming resources and the resources expended on the statement of financial activities.

ABSOLUTELY CULTURED LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2021

	Notes	2021	2020
FIXED ASSETS			
Tangible assets	10	35,306	67,179
CURRENT ASSETS			
Stock		266	264
Debtors	12	43,949	542,155
Cash at bank and in hand		2,160,374	1,874,852
		<hr/>	<hr/>
		2,204,589	2,417,271
CREDITORS: amounts falling due within one year	13	(321,125)	(397,431)
		<hr/>	<hr/>
Net current assets			2,019,840
Provision for liabilities	24	-	(1,994)
		<hr/>	<hr/>
Total assets less total liabilities		£1,918,770	£2,085,025
		<hr/> <hr/>	<hr/> <hr/>
THE FUNDS OF THE CHARITY:			
Unrestricted income funds	15	1,918,770	2,037,138
Restricted funds	16	-	47,887
		<hr/>	<hr/>
		£1,918,770	£2,085,025
		<hr/> <hr/>	<hr/> <hr/>

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

Approved on behalf of the board by



.....
L. Pitcher - Director

Dated: 7th October 2021

COMPANY NUMBER 09106231

The notes on pages 26 to 40 form part of these accounts.

ABSOLUTELY CULTURED LIMITED

BALANCE SHEET AS AT 31st MARCH 2021

	Notes	2021	2020
FIXED ASSETS			
Tangible assets	10	35,306	56,686
Investments	11	1	1
		<hr/>	<hr/>
		35,307	56,687
CURRENT ASSETS			
Debtors	12	289,478	918,273
Cash at bank and in hand		1,934,775	1,484,156
		<hr/>	<hr/>
		2,224,253	2,402,429
CREDITORS: amounts falling due within one year	13	(340,790)	(382,590)
		<hr/>	<hr/>
Net current assets		1,883,463	2,019,839
		<hr/>	<hr/>
Total assets less current liabilities		£1,918,770	£2,076,526
		<hr/> <hr/>	<hr/> <hr/>
THE FUNDS OF THE CHARITY:			
Unrestricted income funds	15	1,918,770	2,028,639
Restricted funds	16	-	47,887
		<hr/>	<hr/>
		£1,918,770	£2,076,526
		<hr/> <hr/>	<hr/> <hr/>

Approved on behalf of the board by



.....
L. Pitcher - Director

Dated: 7th October 2021

COMPANY NUMBER 09106231

The notes on pages 26 to 40 form part of these accounts.

ABSOLUTELY CULTURED LIMITED
CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2021

	Note	2021	2020
CASH (USED)/GENERATED BY OPERATING ACTIVITIES	22	289,975	(425,480)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	1,717		6,043
Purchase of tangible fixed assets	(8,526)		(56,446)
Sales of tangible fixed assets	2,356		-
		(4,453)	(50,403)
CASH USED IN INVESTING ACTIVITIES		(4,453)	(50,403)
Increase in cash and cash equivalents in the year		283,522	(475,883)
Cash and cash equivalents at the beginning of the year		1,874,852	2,350,735
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		£2,160,374	£1,874,852

ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	At 1 st April 2020	Cash Flows	Non Cash Changes	At 31 st March 2021
Cash at Bank and in Hand	£1,874,852	£285,522	-	£2,160,374
Being:-				
Unrestricted	1,780,465			1,922,160
Restricted/Deferred Income	94,387			238,214
	£1,874,852			£2,160,374

ABSOLUTELY CULTURED LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2021

1. Principal accounting policies:-

Absolutely Cultured Limited is a company limited by guarantee incorporated in England, number 09106231. The registered office is 64 Humber Street, Hull, HU1 1TU.

Basis of preparation

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) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Absolutely Cultured Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements consolidate the results of the charity and its wholly owned subsidiary Absolutely Cultured (Enterprises) Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the company has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The principal accounting policies adopted in the preparation of the financial statements are as follows:

- a) **Income** is recognised when the group has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.
- b) **Donations** represent grants and sponsorship monies receivable by the group where the donor does not receive any significant benefits other than the knowledge that the charity must apply the monies to further its charitable purposes.
- c) **Grant income** is recognised when the group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. In cases where the grant represents a partnership agreement for the duration of the charitable project, income is recognised by reference to the period which the reporting period bears to the total period.
- d) **Donations in kind**
On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. However, the lack of a market comparative price for the contribution made by volunteers means that it is not possible to measure their value reliably. Accordingly, the contribution of general volunteers is not included as income in the charity's accounts.

ABSOLUTELY CULTURED LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

1. Principal accounting policies (continued)

e) **Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the bank.

f) **Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charitable company. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities comprises the costs of planning and delivering the performances, exhibitions and other educational activities arranged in furtherance of the charity's objects, together with the associated support costs.

h) **Allocation of costs**

Costs directly associated with the planning, promotion and delivery of the programme of cultural events are classified as direct charitable expenses. Costs relating to its strategic management are classified as governance costs. All remaining costs are classified as support costs. Support costs are allocated across income streams according to the ratio of direct costs.

i) **Going concern**

The financial statements have been prepared on a going concern basis.

As a result of the Covid-19 pandemic all the charitable group's activities planned for later in 2021 were either put on hold or cancelled. At the same time funding opportunities dried up as national bodies and local authorities focused on emergency support only. In response the group took advantage of government support to furlough staff whilst its position was clarified and options were evaluated.

The current economic conditions, coupled with the impact of the Covid-19 pandemic, present difficulties to all organisations in the arts sector in terms of raising funds from either government-funded bodies or private enterprise. In response to such conditions the charity has prepared budgets and cashflow forecasts to 31 March 2023 and these show it has adequate resources to pay its debts as they fall due.

It is the charity's intention to use its unrestricted reserves to fund its charitable objects and on this basis the Board considers that the group has a reasonable expectation of being able to continue in operational existence to at least the period of the budgets and cashflow forecasts of 31 March 2023 and that there are no material uncertainties that have not been considered or stress tested that lead to significant doubt about the group's ability to continue as a going concern. Therefore, the Board have continued to adopt the going concern basis of accounting in preparing these financial statements.

ABSOLUTELY CULTURED LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

1. Principal accounting policies (continued)

- j) **Tangible fixed assets** are included at cost. Depreciation is provided at rates calculated to write off all tangible fixed assets over their estimated useful lives using the following rates:

Property Alterations	33% p.a. on cost/remaining lease term if less
Furniture, Fittings and Equipment	25% p.a. on cost
Computer Equipment	33% p.a. on cost

- k) **Fixed asset investments** in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the statement of financial activities. A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

- l) **Pension scheme arrangements**

The group contributes to the personal pension schemes of its employees. Contributions payable are charged to expenses in the year in which they accrue.

- m) **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

- n) **Taxation**

As a registered charity, the company is exempt from corporation tax on surpluses arising from its charitable activities during the period. Value Added Tax is charged on taxable supplies and input VAT recovered in accordance with normal rules. So far as available profits permit, the subsidiary uses the Gift Aid regulations to mitigate its liability to corporation tax.

Provision is made for deferred taxation on timing differences arising from the purchase of tangible fixed assets in the subsidiary.

- o) **Financial instruments**

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

- p) **Gift and donations from subsidiary undertaking**

The charitable company is in receipt of distributions from its subsidiary undertaking under the Gift Aid scheme.

ABSOLUTELY CULTURED LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

2. Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

No judgements or key estimates were made on preparing these financial statements.

3. Members

The liability of the members, who are the directors of the company, is limited to their undertaking to contribute a maximum of £1 each in the event of the company being wound-up whilst they are a member or within one year after they cease to be a member. At the balance sheet date there were 11 members (2020: 11).

4.a) Analysis of income

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Donations						
Grants receivable (note 4b)	6,127	359,678	365,805	1,315	1,673,162	1,674,477
Donations in kind	8,312	-	8,312	46,127	-	46,127
	<u>£14,439</u>	<u>£359,678</u>	<u>£374,117</u>	<u>£47,442</u>	<u>£1,673,162</u>	<u>£1,720,604</u>
Investment income						
Bank interest receivable	<u>£1,717</u>	<u>£-</u>	<u>£1,717</u>	<u>£6,043</u>	<u>£ -</u>	<u>£6,043</u>
Income from trading activities						
Income from partners and business club members	251,000	-	251,000	389,395	-	389,395
Consultancy	2,700	-	2,700	-	-	-
	<u>£253,700</u>	<u>-</u>	<u>£253,700</u>	<u>£389,395</u>	<u>£ -</u>	<u>£389,395</u>
Other income						
Third party recharges, ticketing income and book souvenir income	£5,065	£-	£5,065	£95,021	£ -	£95,021
Government grant COVID support	<u>£142,651</u>	<u>£-</u>	<u>£142,651</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>

ABSOLUTELY CULTURED LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

4.b) Analysis of grants receivable

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Arts Council England		235,679	235,679	-	1,019,627	1,019,627
Spirit of 2012		103,999	103,999	-	240,425	240,425
Kingston upon Hull City Council				-	5,000	5,000
Heritage Lottery Fund				-	48,750	48,750
We Are IVE				-	2,258	2,258
Hull College				-	3,000	3,000
Back To Ours				-	3,000	3,000
Clinical Commissioning Group				-	65,000	65,000
HCUK Training				-	2,000	2,000
Heritage Lottery Fund				-	100,000	100,000
Back To Ours (HIPI)				-	10,000	10,000
Yorkshire Water				-	15,000	15,000
Art Ltd				-	(684)	(684)
NESTA		20,000	20,000	-	110,000	110,000
Others	6,127		6,127	1,315	-	1,315
Performing Rights Soc. Foundation				-	46,286	46,286
RVW Trust				-	2,000	2,000
The Leche Trust				-	1,500	1,500
	<u>£6,127</u>	<u>£359,678</u>	<u>£365,805</u>	<u>£1,315</u>	<u>£1,673,162</u>	<u>£1,674,477</u>

4.c) Donations in kind

During the year the following services were performed for the charity. The value of these was estimated as follows:

	2021	2020
Legal services	8,312	-
Furniture	-	10,727
Leasehold improvements	-	35,400
	<u>£8,312</u>	<u>£46,127</u>

ABSOLUTELY CULTURED LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

5. Analysis of expenditure

5.a) Direct charitable expenditure

Activity	Direct costs	Support costs (5.b)	Governance costs (5.c)	Total 2021	Total 2020
Partnerships and development	38,090	29,235	1,845	69,170	101,673
Marketing and communications	77,844	59,748	3,770	141,362	648,270
Programming and delivery	403,629	309,798	19,547	732,973	1,500,236
	<u>£519,563</u>	<u>£398,781</u>	<u>£25,161</u>	<u>£943,505</u>	<u>£2,250,179</u>

Expenditure on charitable activities was £943,505 (2020: £2,250,179) of which £535,940 was unrestricted (2020: £624,904) and £407,565 was restricted (2020: £1,625,275).

5.b) Analysis of support costs

	Staffing costs	I.T., Travel & communications	Other Admin costs	Total 2021	Total 2020
Partnerships and development	15,484	1,064	12,687	29,235	26,587
Marketing and communications	31,646	2,173	25,929	59,748	169,518
Programming and delivery	164,085	11,271	134,442	309,798	392,301
	<u>£211,215</u>	<u>£14,508</u>	<u>£173,058</u>	<u>£398,781</u>	<u>£588,406</u>

Support costs have been apportioned according to the ratio of direct costs.

5.c) Governance costs

	2021	2020
Auditors' remuneration	19,514	34,390
Legal charges	662	38,714
Consultancy and professional fees	4,985	16,874
	<u>£25,161</u>	<u>£89,978</u>

Governance costs have been apportioned according to the ratio of direct costs.

6. Operating (deficit) / surplus is stated after charging the following items:	2021 £	2020 £
Depreciation	36,899	37,758
Loss on Disposal of Fixed Assets	1,145	-
Auditors' Remuneration: Audit fees	12,014	26,890
: Accountancy services	7,500	7,500
	<u></u>	<u></u>

ABSOLUTELY CULTURED LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

7. Staff costs	2021	2020
Staff salaries	460,580	784,305
Redundancy and termination payments	5,714	29,138
Freelance contracts, secondment charges and salaries in kind	64,434	116,552
Employer's NIC	43,937	78,503
Pension scheme contributions	28,280	39,290
	<hr/>	<hr/>
	£602,945	£1,047,788
	<hr/>	<hr/>

The redundancy and termination payments comprise redundancy payments of £5,714 (2020: £2,625) and £Nil paid under a settlement agreement (2020: £26,513). All payments had been made by the balance sheet date.

Due to the nature of the charity, some key personnel are engaged on freelance contracts. In the previous financial year the company made use of personnel seconded from other organisations and retain the services of the Board's chair on a freelance basis.

These are broken down as follows:

	2021	2020
Freelance services	64,434	116,552
	<hr/>	<hr/>
	£64,434	£116,552
	<hr/>	<hr/>

	2021 No.	2020 No.
Number of staff to have accrued benefits under money purchase pension scheme	19	29
	<hr/>	<hr/>

The average monthly number of employees during the year, excluding the directors but including the Chair, was 14 (2020: 26). The average number of full time equivalent employees was as follows:

	2021 No.	2020 No.
Administration	4.2	5.6
Partnerships and development	0.4	1.0
Marketing and communications	2.0	4.8
Programming and delivery	7.4	13.4
	<hr/>	<hr/>
	14.0	24.8
	<hr/>	<hr/>

ABSOLUTELY CULTURED LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

7. Staff costs (Continued)

During the year the members of staff whose emoluments, including any benefits in kind but excluding pension costs, exceeded the equivalent of £60,000 per annum were as follows:-

	2021 No.	2020 No.
£60,000 - £69,999	1	-
	==	==

The key management personnel of the charity comprise the trustees and the senior management team, as set out in the Trustees' Report. The total employee benefits of the key management personnel of the charity were £263,637 (2020: £359,174).

8. Trustee remuneration and expenses

Clause 7.2.7 of the company Articles of Association permits the charitable company to pay reasonable remuneration to the Chair of the Board where the directors resolve that it is in the charity's interests to do so. Accordingly, following the departure of the Executive Director in the 2018/2019 year, the Chair, Lee Corner, undertook executive responsibilities to support the leadership and strategic development of the Charity in relation to partnerships and fundraising activity. In the course of the year she received £6,400 (2020: £16,000) for her services.

During the year £Nil (2020: £5,082) in travel and subsistence expenses was paid out to trustees (2020: 5 trustees).

9. Pension contributions

The company contributes to the personal pension schemes of its employees. The costs incurred for the year amount to £28,280 (2020: £39,290) of which £4,279 remained outstanding at the balance sheet date (2020: £5,954).

ABSOLUTELY CULTURED LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

10.a) Tangible fixed assets – Group

	Property alterations	Fixtures, fittings and equipment	Total
Cost			
At 1 st April 2020	247,175	152,479	399,654
Additions	8,526	-	8,526
Disposals	-	(37,393)	(37,393)
	<hr/>	<hr/>	<hr/>
At 31 st March 2021	255,701	115,086	370,787
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 st April 2020	215,449	117,026	332,475
Added this year	16,907	19,992	36,899
Written back on disposals	-	(33,892)	(33,892)
	<hr/>	<hr/>	<hr/>
At 31 st March 2021	232,356	103,126	335,482
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 st March 2021	£23,345	£11,961	£35,306
	<hr/>	<hr/>	<hr/>
At 31 st March 2020	£31,726	£35,453	£67,179
	<hr/>	<hr/>	<hr/>

All the net book value of fixed assets represent Unrestricted Funds.

10.b) Tangible fixed assets – Company

	Leasehold alterations	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 st April 2020	247,175	52,250	69,062	368,487
Additions	8,526	-	-	8,526
Disposals	-	(11,556)	(23,162)	(34,718)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2021	255,701	40,694	45,900	342,295
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 st April 2020	215,449	34,419	61,933	311,801
Charge for the year	16,907	6,574	3,825	27,306
Written back on Disposals	-	(8,956)	(23,162)	(32,118)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2021	232,356	32,037	42,596	306,989
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value				
At 31 st March 2021	23,345	8,657	3,304	35,306
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2020	£31,726	£17,831	£7,129	£56,686
	<hr/>	<hr/>	<hr/>	<hr/>

All the net book value of fixed assets represents Unrestricted Funds.

ABSOLUTELY CULTURED LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

11. Fixed asset investments - Company

	Shares in group undertaking
Cost	
At 1 st April 2020	1
Additions	—
	—
At 31 st March 2021	1
	—

At the balance sheet date the company owned 100% of the ordinary share capital of Absolutely Cultured (Enterprises) Limited, a company incorporated in England. The subsidiary was established on 14th August, 2015 to generate commercial revenue to support the activities of the parent charity.

12. Debtors

	Group		Company	
	2021	2020	2021	2020
Trade debtors	289	30,349	-	5,144
Accrued income	24,418	492,210	24,418	492,210
Other debtors and prepayments	19,242	19,596	18,962	19,200
Amount due from group undertaking	-	-	246,098	401,719
	£43,949	£542,155	£289,478	£918,273

All group and company debtors for 2021 and 2020 represent Unrestricted Funds.

13. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
Trade creditors	24,478	44,891	24,478	44,891
Other taxes	10,364	236,544	33,029	236,544
Other creditors and accruals	37,580	57,655	34,580	54,655
Deferred income (note 14)	248,703	58,341	248,703	46,500
Amount due to group undertaking	-	-	-	-
	£321,125	£379,431	£340,790	£382,590

Group and company creditors falling due within one year include £248,703 (2020: £46,500) of restricted funds. All other monies are unrestricted.

ABSOLUTELY CULTURED LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

14. Deferred income comprises the following:-

	Brought forward	Received unrestricted	Received restricted	Recognised as income	Carried forward
Arts Council England	(358,989)	-	825,000	235,679	230,332
Art Fund	-	-	2,970	-	2,970
Heritage lottery fund	(10,000)	-	10,000	-	-
Nesta	-	-	20,000	20,000	-
Others	-	10,766	-	6,627	4,139
Spirit of 2012	-	-	108,911	103,999	4,912
Back To Ours	(500)	-	-	(500)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(369,489)	10,766	966,811	365,805	242,353
Partnership fees and business club subscriptions	11,841	241,859	-	253,700	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	£(357,648)	£252,625	£966,811	£619,505	£242,353
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Shown as: Deferred income	58,341				248,703
Income in arrears	(415,989)				(6,350)
	<hr/>				<hr/>
	£(357,648)				£242,353
	<hr/>				<hr/>

ABSOLUTELY CULTURED LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

15. Reconciliation of movements in unrestricted income funds

	Group		Company	
	2021	2020	2021	2020
Income	417,572	537,901	411,724	984,460
Expenditure	(535,940)	(624,904)	(521,593)	(607,004)
Transfers (note 17)		-		-
Opening funds	2,037,138	2,124,141	2,028,639	1,651,183
	<hr/>	<hr/>	<hr/>	<hr/>
Closing funds	£1,918,770	£2,037,138	£1,918,770	£2,028,639
	<hr/>	<hr/>	<hr/>	<hr/>

16. Reconciliation of movements in restricted income funds

	As at 1st April	Income	Expenditure	Transfers	As at 31st March
<u>2020/2021</u> Arts Council England	-	235,679	(235,679)	-	-
Nesta	47,887	20,000	(67,887)	-	-
Spirit of 2012	-	103,999	(103,999)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
£	-	359,678	(407,565)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>2019/2020</u> Arts Council England	-	1,019,627	(1,019,627)	-	-
Heritage Lottery Fund	-	48,750	(48,750)	-	-
Kingston upon Hull City Council	-	5,000	(5,000)	-	-
Liverpool Biennial	-	(684)	684	-	-
Nesta	-	110,000	(62,113)	-	47,887
Spirit of 2012	-	240,425	(240,425)	-	-
We Are IVE	-	2,258	(2,258)	-	-
Hull College	-	3,000	(3,000)	-	-
Back To Ours	-	3,000	(2,500)	-	-
Clinical Commissioning Group	-	65,000	(65,000)	-	-
HCUK Training	-	2,000	(2,000)	-	-
Heritage Lottery Fund	-	100,000	(100,000)	-	-
Back To Ours (HIPI)	-	10,000	(10,000)	-	-
Yorkshire Water	-	15,000	(15,000)	-	-
Performing Rights Society					
Commission	-	46,286	(46,286)	-	-
RVW Trust	-	2,000	(2,000)	-	-
The Leche Trust	-	1,500	(1,500)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
£	-	£1,673,162	£(1,625,275)	£ -	£47,887
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

ABSOLUTELY CULTURED LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

16. Reconciliation of movements in restricted income funds (continued)

Arts Council England funding was for site specific and outdoor commissions such as those to support Hull's performing arts sector, and to support Hull City of Culture 2017 legacy programme.

Nesta funding was for the Hull Volunteer programme to support the Connected Communities Innovation Fund.

Spirit of 2012 funding was to support the Hull Volunteer programme.

17. Transfer between funds

There were no transfers between funds this year or in the preceding year.

ABSOLUTELY CULTURED LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

18. Related party disclosures

- i) The company paid fees of £6,400 (2020: £16,000) to Lee Corner in respect of her role as Chair of the Board.
- ii) The Board includes amongst its members, representatives of Kingston upon Hull City Council. During the year the group received income of £205,000 (2020: £210,000) from this organisation. Kingston upon Hull City Council also donated services in kind to the value of £Nil (2020: £46,127) during the year.
- iii) During the year the company paid £788 (2020: £1,429) to the Hideout Hotel Ltd for accommodation provided during the year. The trustee G.F. Allenby is a shareholder and director in this company.

19. Control

The company is limited by guarantee and effective control rests with its Board of Trustees.

20. Contingent liabilities

The restricted income received by the company is dependent upon the company delivering the agreed outputs attached to each grant and reporting on same to the grant provider. At the balance sheet date final submissions have sometimes yet to be made in respect of a number of grants. In the event that this is not accepted, there is a risk that the donors may seek repayment of grants made. The Board, however, consider these risks to be remote.

21. Security

The company's bankers hold a debenture dated 9th February, 2015 over the assets of the company.

22. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021	2020
Net movement in funds	(166,255)	(39,116)
Add back depreciation charge	36,899	37,758
Add back loss on disposal of fixed assets	1,145	-
Deduct interest income shown in investing activities	(1,717)	(6,043)
(Increase)/Decrease in stock	(2)	470
(Increase)/Decrease in debtors	498,206	(83,053)
Increase/(Decrease) in creditors	(76,306)	(333,542)
Deferred taxation provision movement included as a (credit)/an expense	(1,994)	(1,954)
	<hr/>	<hr/>
Net cash (used) / generated in operating activities	£289,975	£(425,480)
	<hr/>	<hr/>

ABSOLUTELY CULTURED LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

23. Financial performance of the charity

As permitted by s408 of the Companies Act 2006, a separate Statement of Financial Activities for the charity alone has not been prepared. The net deficit reported for the year in the Consolidated Statement of Financial Accounts includes £(109,869) (2020 net surplus of : £425,343) reported in the accounts of the charity itself.

24. Provision for liabilities

Deferred taxation: the following are the major deferred tax liabilities recognised by the group and movements thereon:

Balances:

	2021	2020
Accelerated capital allowances	£-	£1,994
	<hr/>	<hr/>
Movement in the year		2021
Liability at 1 April 2020		1,994
Credit		(1,994)
		<hr/>
Liability at 31 March 2021		-
		<hr/>

25. Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases of £96,000 (2020: £43,852).