



Smales Goldie Group
CREATING ADVANTAGE

REGISTERED COMPANY NUMBER: 09106231
REGISTERED CHARITY NUMBER: 1162199

Absolutely Cultured Limited

Consolidated Financial Statements

31st March 2022



SD-0206764-1-6

Absolutely Cultured Limited

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Absolutely Cultured Limited

Report of the Trustees for the year ended 31st March 2022

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 2022 which are also prepared to meet the requirements for a director's 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) (effective 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

9106231 (England and Wales)

Registered Charity number

1162199 (England and Wales)

Registered office

Humber Street Gallery
64 Humber Street
Hull
HU1 1TU

Auditors

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Bankers

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

Solicitors

Rollits
58 High Street
Hull
HU1 1QE

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.

Absolutely Cultured Limited

Report of the Trustees for the year ended 31st March 2022

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

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

Board Meeting Dates from 1 April 2021 – 31 March 2022

- 1 April 2021 (Virtual)
- 8 July 2021
- 7 October 2021
- 13 January 2022 (Virtual)
- 31 March 2022

Due to the Covid restrictions and regulations in place in both April 2021 and January 2022 meetings were held virtually with all other board meetings held in person.

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 two new trustees, including a new chair, Lee Pitcher, Head of Partnerships, Yorkshire Water, Living with Water and Julia Weldon, Director of Public Health and Deputy Chief Executive of Hull City Council. 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.

Lee Corner stepped down as chair and trustee on 31 August 2021 and Matt Jukes and Professor Lucy Mazdon stepped down on 13 January 2022 following many years of service to the charity. We thank them for their service and commitment and wish them well.

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

Portfolio Responsibilities

The eight 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.

Absolutely Cultured Limited

Report of the Trustees for the year ended 31st March 2022

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 5
L.A. Corner (Chair)	20/03/18	31/08/21	2 of 2
Cllr S. Brady (Vice-Chair)	18/11/16	01/04/21	N/A
N.R. Hodgkinson	03/10/14	01/04/21	N/A
M.S. Jukes	10/05/16	13/1/22	1 of 4
G.F. Allenby	19/07/18	-	2 of 2
B.P. Norman	17/07/18	-	5
R Lewis	23/09/19	-	5
Professor L Mazdon	13/08/19	13/1/22	2 of 4
Dr K Harker	14/01/21	-	4
M Gibson	14/01/21	-	3
Dr C Tomlinson	14/01/21	-	5
L Pitcher (Chair)	08/07/21	-	4 of 4
J Weldon	31/3/22	-	1 of 1

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.

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 31.03.22

Stephen Munn: CEO & Artistic Director

Joanne Norman: Head of Finance and Operations

Janine Crombie: Head of Development and Communication

Pay and remuneration of the key management personnel is initially set by the board of trustees with reference to the company pay scales, market conditions and sector salaries. All staff are eligible for an annual cost of living rise where awarded and further pay rises are assessed against a performance management criteria.

Absolutely Cultured Limited

Report of the Trustees for the year ended 31st March 2022

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 – Delivering Arts Centre model across the city through three strands of Arts Programme, Learning and Community Engagement
- Work with a range of cross-sector partners to maximise the positive impact of Arts & Culture in the city of Kingston upon Hull – Working partnerships with Yorkshire Water, University of Hull and Generation Hull
- Be a welcoming, productive and creative environment for all our staff, partners and audiences – Humber Street Gallery generating footfall of 40,000 plus visitors per annum: Galleries, Café / Bar and Roof Terrace
- Place diversity at the centre of the organisation – A learning hub for Welcome to English weekly activity (Refugees & Asylum Seekers)
- Have a local, national and international impact through a strong partnership approach – Presentation of 'In My Room' exhibition as part of national commissioning partnership with Focal Point & Mostyn Gallery
- Present the best Cultural Programme possible to as wide an audience as possible - Delivering high quality programmes including Creative Hull July 2021 and Floodlights October 2021
- Encourage cross art form participation for all ages – Gipsyville Creative Centre Saturday morning Arts Sessions
- Provide a creative environment & supportive culture for artists at all stages of their career – Successful delivery of Inter_Change talent development programme 2021/22
- Provide excellent learning opportunities through Generation Hull and all Learning Programmes – supporting Generation Hull and hosting Project Manager
- Be commercially minded striking an appropriate arts and business balance – Working with One M on Cafe / Bar and private events we have started to develop a wider offer including becoming a licenced wedding venue.

Absolutely Cultured Limited

Report of the Trustees for the year ended 31st March 2022

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 previous 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 & 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 & Operations, 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 audience's 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 the opportunity to apply via recorded application, to propose alternative working arrangements such as job share and have engaged 7 staff through the Government Kickstart scheme giving work opportunities to young people across the company.

Absolutely Cultured Limited

Report of the Trustees for the year ended 31st March 2022

Key Achievements and Performance

Absolutely Cultured is an arts centre with a strong creative development function 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 Partnership, Place Shaping and Social Impact 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.

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 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. The introduction of the four Investment Principles (IP) by ACE must be interwoven and lived by organisations and although challenging should prove to be a positive and a significantly rewarding development area – The four IP's are Inclusivity & Relevance, Ambition & Quality, Dynamism, Environmental Responsibility.

In May 2022 Absolutely Cultured submitted a three-year Arts Council England National Portfolio application for three year revenue funding. If successful, the new agreement will commence April 2023. Although Hull was not part of the DCMS 109 listed priority investment areas it is still considered an area for investment.

Key Developments 2021/22

Covid – 19 has impacted significantly on the organisation's operations through delayed programme delivery, reduced venue capacities, footfall, commercial activity and staff absence. The ACE Legacy Programme was completed in October 2021 after a 12 month delay due to the pandemic.

The Volunteer Programme was successfully transitioned into Visit Hull & East Yorkshire (VHEY) in September 2021. This was a strategic process that explored several models which was led by a Working Group comprising of members of the Leadership Team and Trustees. Hull City Council and Spirit of 2012 identified three-year funding for the programme with a TUPE process established which protected the two associated roles through the transition to VHEY. The programme has been branded HEY Volunteering with representation from Absolutely Cultured being confirmed on the Steering Group once established.

Cultural Programme

- Creative Hull successfully delivered July 2021 – a celebration of creativity across the city and its communities with over 60 partnership events delivered both live and digitally
- FloodLights was successfully delivered October 2021: 3 x City Centre installations, a Community Parade and a Panel Discussion in partnership with Yorkshire Water, Living with Water & University of Hull. The project explored Hull's relationship with water and attracted audiences in excess of 11,000
- Exhibition Programme includes – Leo Fitzmaurice, Hannah Quinlan & Rosie Hastings, Jasleen Kaur, In Conversation as Collective Strategy, Ashley Holmes & Kara Chin. Current average audience of 130 per week
- The development of the Thursday Lates programme featuring artists from dance, theatre, music, and spoken word. This is proving to be a successful audience development strand of the Humber Street Gallery programme
- Social Action Community Artist Residencies – Dom Heffer with Peel Street Primary School and Andy Pea with the Gipsyville Library
- Creative Centres, Gipsyville Library – weekly Coffee & Chats plus fortnightly Creative Workshops average of 25 participants. Spring Bank Creative Centre activity commenced February 2022
- Inter_Change a creative practitioner development programme – 12 participants undertook the programme which included Master Classes, Mentoring and site visits to Liverpool, Leeds & Coventry to meet cultural organisations and practitioners
- Choreographer Gareth Chambers completed two weeks Research & Development period in November 2021 which will be used as the foundation to make a full piece of work. The R&D was funded by ACE

Absolutely Cultured Limited

Report of the Trustees for the year ended 31st March 2022

Organisational

- Lee Pitcher recruited as Chair of Absolutely Cultured with term commencing 01.09.2021. Lee Corner completed her successful term as Chair on the 31.08.2021
- Volunteer Programme was successfully transferred to Visit Hull & East Yorkshire 01.09.2021
- Four IP Working Groups comprising of Staff and Trustees created to feed into Business Plan and NPO Application process, meetings explored each of the IP Core Characteristics
- Merging of Marketing and Development teams to create Development and Communications Department
- AC has supported 7 Kickstart positions throughout the year with four becoming permanent, one going on to further permanent employment, one going on to further temporary employment with us and one who exited the scheme.
- Investing in staff: various online training courses completed by team. Staff Survey rolled out with outcomes reported to Board and feedback given to Staff (see page 13 for details on how this process is managed). Performance Related Pay system introduced monitored by Finance & General Purposes Group
- Storage solution for the organisation identified with an updated Asset Register produced
- Community Creative Centres initiated with Gipsyville Library and 91 Spring Bank
- HSG Lease April 2021 – March 2024 in place: Energy Audit completed, and a positive assessment received
- 51 Whitefriargate utilised as a venue for Creative Hull and FloodLights July – November 2021. We have benefited from Business Rates - Expanded Retail Discount
- We recognise that the organisation is not big enough to be required to complete a carbon report, however, we acknowledge that this is an important matter, and we are working to reduce our carbon footprint through reusing and recycling, buying local and developing relationships with the University of Hull to support us in this.

2021/22 projects include:

Creative Hull was a weekend long celebration of the creativity and culture that Hull has to offer, which took place **16-18 July 2021**. Over 60 different activities were included, occupying existing venues, disused shops and buildings and outdoor spaces across the city, as well as online. With music, dance, cabaret, theatre, art exhibitions, window displays, workshops and more, there really was something for everyone. *Creative Hull* was a moment to celebrate our city's culture and the role it can play as we emerge from the pandemic – responding to the changes brought and shaping a new optimistic future. Originally planned for 2020, we worked hard to make sure we could go ahead in a considered and socially distanced way. The aim is to make this an annual showcasing event from July 2023.

5,497 attendees - 24% of attendees said that they chose to come because they wanted to do or experience something creative themselves.

To note – this was the first event of its kind in Hull post lockdown. The weekend was still impacted by restrictions and was the weekend of the famous 'Pingdemic'.

FloodLights was our newly-commissioned public project featuring captivating projections and soundscapes – brand new for Hull in Autumn 2021. The city of Hull, and the lives of its inhabitants, has been shaped by its proximity and relationship to water. Working in partnership with Living With Water, Yorkshire Water and the University of Hull, we explored these issues – now even more pertinent than ever – through projection and light installations. We are excited to have worked with artists Limbic Cinema (created narrative content with local groups), Vent Media and Hull-based Davy & Kristin McGuire and Andy Pea, who had all drawn inspiration from the subject of "living with water". Over 22-24 October they brought the city centre to life with moving animations, light installations and atmospheric music.

'Tonight I took the kids to Gipsyville Multi-Purpose Centre & Library for the Absolutely Cultured local #floodlights lantern parade that Millie helped make a few weeks ago. There were so many people that turned up which was lovely to see as I didn't expect so many.'

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Report of the Trustees for the year ended 31st March 2022

11,000 attendees - 83% of attendees felt that the quality of the event was good or very good. 49 % of attendees agreed that Floodlights made them think about flood risk and 56% said it made them think about climate change affects them and their community.

Floodlights brought to an end the ACE funded Legacy Programme with a full Evaluation Report submitted and approved February 2022.

Exhibition Programme: In Conversation as Collective Strategy

In Conversation as Collective Strategy used Space 2 to connect and support Hull-based collective work through the act of film-making. Platforming the work of community education, campaign, and transformative justice organising that exists in the city. Humber Street Gallery commissioned two new films, produced by community-focused film collective Other Cinemas in collaboration with local groups Black Heritage Collective and An Untold Story Voices, which open a dialogue to explore themes of resistance and platforming grassroots solidarity and struggle. These films were shown alongside additional material compiled by both local collectives, as well as historical works from the Cinenova collection; a non-profit organisation dedicated to distributing videos made by women.

The exhibition used film to think through our histories, connected sense of place and politics; of race, class, gender, care, and losses experienced as a community.

It presented the chance to reconsider the role that "conversation" plays in our collective future.

In Conversation as Collective Strategy was organised by guest curator Louise Shelley in collaboration with Humber Street Gallery.

Average daily visitors to the exhibition programme = 37

Total visitors to Humber Street Gallery 2021/22 as recorded

by the Beam Counter = 40,280 (this includes café bar and roof terrace)

INTER_CHANGE 2021/22: This ongoing initiative selected a core cohort of 14 creative practitioners, curators, producers and physical performers at the early stages of their career to participate in a co-produced 12-month professional development programme. The cohort benefited from support including mentoring, peer to peer sessions and exchange visits with other creatives and organisations in the North of England. The programme culminated in a final exhibition and public event programme at Humber Street Gallery Spring 2022. 10 of the 14 participants completed the programme.

Community & Engagement: Both Gipsyville and Spring Bank Creative Centres are up and running with weekly creative sessions taking place. A three year lease has been taken on 91 Spring Bank (February 2022) which offers many opportunities in terms of location and activity space. Highlights of the year include the Floodlights Lantern Parade which attracted audiences in excess of 600 as it wound its way through the streets of Gipsyville in October 2021. Film Fridays and Coffee & Chat have also been popular at Gipsyville Library delivered alongside weekly creative sessions.

Thursday Lates: One Thursday a month, Humber Street Gallery showcases new commissions relating to the themes of exhibitions on display in the venue. Art inspires art and these monthly events take many forms; dance, music, spoken word, performance art and more. This year artists we presented included Emily Gray, Tamar & Jo, Jamal Sterrett, Middle Child Theatre Company and Silent Uproar.

Absolutely Cultured Limited

Report of the Trustees for the year ended 31st March 2022

Looking Ahead

Absolutely Cultured will throughout 2022/23 present and support an innovative and accessible cross artform programme in a variety of venues and locations across Hull. The organisation recognises the necessity at this extraordinary time to exploit its assets in order to achieve sustainability. This includes investing its financial reserves dependant on the performance of its commercial and fundraising strategies. The Trustees would be looking to achieve a break even at a 3 – 5 year horizon and beyond.

We are adhering to the latest Government COVID-19 Guidelines: COVID-19 Response: Living with COVID-19. The government's plan for removing the remaining legal restrictions while protecting people most vulnerable to COVID-19 and maintaining resilience. We have asked staff to work from home if they show symptoms and to take a Covid test only returning to the workplace when a negative test is achieved. Hand sanitiser is available throughout the venue with facemasks available on request for staff.

As part of our ongoing risk assessments, we have built in considerations around adjustments for living with Covid, ensuring numbers are managed, ventilation is good and people attending feel comfortable and safe.

Key Developments 2022/23

Cultural Programme

- Bloomberg New Contemporaries presented At HSG and Ferens September – November 2022. Feral Arts School and Gallery 87 will be part of the public programme
- Exhibitions to include: Inter-Change Showcase, Harold Offey, Oliver Ressler, Harminder Judge
- Thursday Lates programme to include Interchange Artists
- Social Action Artist residencies: Aba Daba Circus and Middle Child Theatre Company
- Physical Performance Programme including Motionhouse Dance Company at Hull New Theatre, Nikki Rumner & Kristin McGuire at Gulbenkian Centre University of Hull, Tom Dale at HSG
- Creative Centres Phase 3 Testing including Reminiscing Sessions, The Middle Child Theatre Company workshops & local history sessions

Organisational and Operational

- Trustee Recruitment: The board have undertaken a skills audit to identify areas where they could be strengthened allowing a more targeted approach to trustee recruitment to be implemented with diversity prioritised as key to a balanced board.
- Planning for the organisational future following the NPO outcome October 2022
- Develop the organisations future KPI's to support the M&E Framework
- Understanding the impact of Levelling Up funding coming into the City and how AC might be impacted e.g. The Matrix Project Whitefriargate
- Developing the infrastructure of HSG to become more environmentally robust in partnership with Wykeland - implementing findings of the Energy Audit
- Rethink the AC office to allow for a more creative approach to working and adapted to the new needs of hybrid working – the use of curtaining to give space options, more private meeting space.

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:** Presenting exhibitions, performance, installations and events
- **Social Action:** Having a positive impact on every part of the city
- **Learning:** Giving everyone access to cultural education and opportunities in the arts

Absolutely Cultured Limited

Report of the Trustees for the year ended 31st March 2022

With ACE Legacy Funding ending in October 2021 the organisation has moved 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 AC 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 continue our test programme during 2022/23 presenting in partnership with Freedom Festival, Hull New Theatre and the University of Hull. The continuation of our Thursday Lates programme at HSG which commissions artists from different disciplines to respond to current exhibitions personifies AC's cross artform approach.

Cultural Sector Development

The organisation strives to work as a city-wide facilitator aligning creativity, imagination, expertise and networks with partner organisations in Hull and beyond. AC works with others who share our ambition such as local councils, businesses, universities, schools, NHS and fellow arts and culture organisations to maximise our impact and achieve things none of us can do alone. As part of Cultural Collisions (group of local arts organisations who receive regular ACE funding) AC works in partnership with other key cultural organisations but we also nurture smaller organisations and freelancers through projects like Creative Hull and Inter-Change.

The creation of the new City Compact in 2021/22 offers further opportunity for cross sector working in the City with AC well positioned to strategically support the outputs of the Group. The role of a cultural development organisation is to identify the gaps and find a means of creating connections that improve the landscape for all. Solid partnership working strengthens the cultural ecology and recognises that the whole is greater than the sum of its parts.

Employees

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

The trustees took a strategic view of pay and reward in this reporting period, acknowledging that economic factors were going to be very challenging for the team and considered various options to support its employees. Taking into consideration the charity's financial position, a decision was made to award all staff an additional one off cash payment above the cost of living raise in order to support them with the rapidly rising inflation and fuel costs.

During the year, the company brought all staff back from furlough and introduced flexible working allowing staff members to work a mix of in the office and home working in response to staff requests. We also acknowledged that, for some staff, returning to the office environment was daunting with the backdrop of the ongoing pandemic and staff were well supported through this process.

The company regularly communicates with its employees through weekly whole team briefings, organisation wide e-mails and department meetings. Trustees are invited to team meetings 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 most employees completing the latest survey.

As part of the business planning and creative programming process, the company holds sessions with all employees including horizon scanning, 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 involving the communities we work with in Spring Bank and Gipsyville with the Creative Hull event creating parades that the communities could be involved with.

Absolutely Cultured Limited

Report of the Trustees for the year ended 31st March 2022

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 this reporting period we have seen the end of the last two major grants from ACE relating to our time as Hull City of Culture and this year we were funded via a project grant as part of our transition to being an NPO.

Hull City Council's five year agreement to fund as part of the Hull City of Culture agreement also came to an end at the start of this financial year and the council have continued to support us with a smaller financial agreement this year. Although disappointing, we understand the local authorities struggle to balance funding across the sector and we continue to work together to develop arts and culture for the residents of Hull. They also support s with membership on our board of trustees and a member of the Arts Development Team is invited as an observer to the company board meetings.

This year also saw us in receipt of a grant from the Esmeé Fairbairn foundation as part of a three year funding arrangement for our work in the communities of Spring Bank and Gipsyville, this has enabled us to give high quality arts experiences to people who are often disenfranchised and to work in partnership with local schools, libraries and mosques.

The National Lottery Heritage Fund also supported us this year with funding for a pilot project looking at heritage through culture can be represented and celebrated in our two communities. This support spans into 2022/23 and will culminate in a parade in Spring Bank and performance in Gipsyville during our Creative Hull 23 event.

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, that was impacted by Covid restrictions, the Companies cultural programme reached audiences in excess of 26,000 and provided 170 hours of free arts activity in our Gipsyville Creative Centre.

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 Gipsyville we organised a Community Lantern Parade (October) and a Christmas Tree Celebration event (December) bringing together hundreds of local people celebrating their Library and local streets. A celebration day was held in Peel Street Park, Spring Bank (July) marking the end of our Creative Hull event with over 300 people attending.

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. The company pays its suppliers via twice monthly payments to ensure all invoices are paid within a maximum of 30 days from when they are received.

Absolutely Cultured Limited

Report of the Trustees for the year ended 31st March 2022

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

During this reporting period there have been various restrictions, with venues reopening after the final lockdown in May 2021. Reduced capacity, social distancing and self-isolating rules still applied as people were starting to be immunised.

During the year we have had staff who have had covid or had to self-isolate due to close contact with someone with covid. Good communication regarding events and programme helped to keep the disruption to our delivery model as low as possible.

Having established good systems for remote working, many staff who were required to self isolate without symptoms or a positive test were able to continue working remotely further reducing any impact on output.

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 March 2024 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 2024 and therefore we consider that the financial statements be prepared on the going concern basis of accounting.

Financial Performance

The ongoing impact of Covid 19 and our ability to deliver programme resulted in the deferral of activity and the respective income from the prior period into this financial year with both the Arts Council Legacy Grant and G4A grant periods being extended well beyond the period initially granted.

Total income for the year, including donations in kind and investment income was £910,779. This was applied towards the planning and delivery of the year across all activity areas. In total this expenditure amounted to £1,161,538.

The above resulted in an excess of expenditure over income for the year of £250,759.

When deducted from the accumulated surplus from prior periods, there remains unrestricted funds of £1,668,011.

Absolutely Cultured Limited

Report of the Trustees for the year ended 31st March 2022

Like many arts organisations, we continue to face the challenge of accessing grant funding from the major funders. During the height of the pandemic, many of them closed their application portals to new requests and, whilst these have reopened, there is more competition for these funds. We have currently secured £250,000 ACE project grant, £35,000 from Hull City Council and will be entering the second year of the 3 year funding agreement with Esmeé Fairbairn Foundation and have secured funding from National Lottery Heritage Fund which spans into this financial year. The board acknowledge that the transition from a megaevent such as Hull City of Culture 2017 to a sustainable arts organisation is challenging and was further aggravated by the Covid 19 disruptions it faced. They have discussed the strategic utilisation of unrestricted reserves and have agreed that there will be a requirement to utilise these in a measured way to achieve the stated objective of a sustainable operating model. The current year budget indicates a deficit of varying between £377k to £666k and the trustees have established a range of options to address this if the funding is not generated as planned to include reducing activity and downscaling resources. The use of reserves for this purpose has been fully discussed by the trustees 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

Whilst the global pandemic has not gone away, with the easing of restrictions following the successful immunisation programme, this is no longer our main risk, although we continue to monitor any after effects as part of our risk management process.

The change to the funding landscape and our ability to become a sustainable organisation with an ambitious programme is a major risk and we are developing a range of strategies and scenarios to respond to this including a robust income generation strategy and a range of options should these not be successful to respond to the funding reality. The rapidly rising inflation is also a major issue and we are building this into our forecasts and adapting our activity to accommodate this. We had planned to deliver a Morag Myerscough exhibition as part of the Creative Hull event, however, costs relating to the infrastructure of the exhibition were rising rapidly due to the nature of the build and the trustees took the strategic decision not to go ahead with this at that time and brought a different exhibition to the city in 2022. Whilst disappointing, the trustees felt this was an appropriate response to the challenge of managing rising costs whilst ensuring delivery of high quality activity.

The effect of the pandemic on staff within the creative sector has resulted in a departure of people from the sector. This has had a knock on effect within our own recruitment and retention and we are developing a grow your own talent process, developing existing staff into more senior roles and recruiting new to sector individuals and training them on the job.

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.

Absolutely Cultured Limited

Report of the Trustees for the year ended 31st March 2022

With an unclear route to sustainability, the senior management have carried out scenario planning and stress testing. Dialogue with major funders has been ongoing and 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 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 was updated to reflect current best practice and statutory guidance and approved at the full board meeting on 13 January 2022. 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 £228,697 is required to meet ongoing commitments and cover timing differences of receipts and designated reserves of £971,011 are required for planned activity not included in the operational budget. Current reserves of £1,668,011 exceed this figure and plans have been drawn up for effective management of the reserves in support of the charitable objectives.

Designated Reserve	£
Investment to research, develop and test ideas	150,000
Match funding for grant funding applications	120,000
Capital projects fund	150,000
Brand development and new website	25,000
IT Infrastructure & Digital Capacity	25,000
Staff Training and Development Fund	18,000
Enhanced parental leave pay fund	15,341
Financial Contractual Liabilities	95,559
Planned Programme Funding Deficit April 22 – March 26	372,111
Total Designated Reserve 31/03/22	971,011

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 for the year ended 31st March 2022

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: Smailes Goldie, Regent's Court, Princess Street, Hull HU2 8BA

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.

Absolutely Cultured Limited

Report of the Trustees for the year ended 31st March 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 17/11/22 and signed on its behalf by:



Trustee

Report of the Independent Auditors to the Trustees of Absolutely Cultured Limited

Opinion

We have audited the financial statements of Absolutely Cultured Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31st March 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Cash Flow 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 of the parent charitable company's affairs as at 31st March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information in the trustees' 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 this gives rise to a material misstatement in the financial statements or a 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 strategic report and the directors' report) for the financial year which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Trustees of Absolutely Cultured Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the charity only and consolidated financial statements or the operations of the charitable company and the group, including the Companies Act 2006, the Charities Act 2011, tax legislation, data protection, anti-bribery, employment, fundraising regulations and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

Report of the Independent Auditors to the Trustees of Absolutely Cultured Limited

We assessed the susceptibility of the charitable company's and consolidated financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

We assessed the susceptibility of the charitable company's and consolidated financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing charity only and consolidated financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and the charitable company's legal advisors.

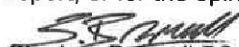
Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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

Use of our report

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


Stephen Bramall BSc FCA (Senior Statutory Auditor)
For and on behalf of Smailes Goldie
Chartered Accountants
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Date: 17/11/2022

Absolutely Cultured Limited

Consolidated Statement of Financial Activities (Incorporating income and expenditure account) for the year ended 31st March 2022

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	20,671	790,037	810,708	516,768
Other trading activities	3	9,163	-	9,163	253,700
Investment income	4	187	-	187	1,717
Other income		90,721	-	90,721	5,065
Total		120,742	790,037	910,779	777,250
EXPENDITURE ON					
Charitable activities	5				
Partnerships & Development		26,353	55,303	81,656	69,170
Marketing & Communications		44,604	94,804	139,408	141,362
Programme & Delivery		300,544	639,930	940,474	732,973
Total		371,501	790,037	1,161,538	943,505
NET INCOME/(EXPENDITURE)		(250,759)	-	(250,759)	(166,255)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,918,770	-	1,918,770	2,085,025
TOTAL FUNDS CARRIED FORWARD		1,668,011	-	1,668,011	1,918,770

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing operations.

Absolutely Cultured Limited (Registered number: 09106231)

**Consolidated Balance Sheet
31st March 2022**

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	11	28,009	-	28,009	35,306
CURRENT ASSETS					
Stocks	13	1,654	-	1,654	266
Debtors	14	195,382	-	195,382	43,949
Cash at bank and in hand		1,537,913	-	1,537,913	2,160,374
		1,734,949	-	1,734,949	2,204,589
CREDITORS					
Amounts falling due within one year	15	(94,947)	-	(94,947)	(321,125)
NET CURRENT ASSETS		1,640,002	-	1,640,002	1,883,464
TOTAL ASSETS LESS CURRENT LIABILITIES		1,668,011	-	1,668,011	1,918,770
NET ASSETS		1,668,011	-	1,668,011	1,918,770
FUNDS	17				
Unrestricted funds				1,668,011	1,918,770
Restricted funds				-	-
TOTAL FUNDS				1,668,011	1,918,770

The financial statements were approved by the Board of Trustees and authorised for issue on17/11/22..... and were signed on its behalf by:


.....
L Pitcher - Trustee

The notes form part of these financial statements

Absolutely Cultured Limited

**Charity Balance Sheet
31st March 2022**

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	11	25,670	-	25,670	35,306
Investments	12	1	-	1	1
CURRENT ASSETS					
Debtors	14	251,385	-	251,385	289,478
Cash at bank and in hand		<u>1,483,277</u>	<u>-</u>	<u>1,483,277</u>	<u>1,934,775</u>
		1,734,662	-	1,734,662	2,224,253
CREDITORS					
Amounts falling due within one year	15	(94,662)	-	(94,662)	(340,790)
NET CURRENT ASSETS		<u>1,640,000</u>	<u>-</u>	<u>1,640,000</u>	<u>1,883,463</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,665,671</u>	<u>-</u>	<u>1,665,671</u>	<u>1,918,770</u>
NET ASSETS		<u>1,665,671</u>	<u>-</u>	<u>1,665,671</u>	<u>1,918,770</u>
FUNDS	17				
Unrestricted funds				1,665,671	1,918,770
Restricted funds				-	-
TOTAL FUNDS				<u>1,665,671</u>	<u>1,918,770</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 17.11.22 and were signed on its behalf by:



Trustee

The notes form part of these financial statements

Absolutely Cultured Limited

**Consolidated Cash Flow Statement
for the year ended 31st March 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(614,204)	289,975
Net cash (used in)/provided by operating activities		<u>(614,204)</u>	<u>289,975</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(8,548)	(8,526)
Sale of tangible fixed assets		104	2,356
Interest received		<u>187</u>	<u>1,717</u>
Net cash used in investing activities		<u>(8,257)</u>	<u>(4,453)</u>
Change in cash and cash equivalents in the reporting period		(622,461)	285,522
Cash and cash equivalents at the beginning of the reporting period		<u>2,160,374</u>	<u>1,874,852</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,537,913</u></u>	<u><u>2,160,374</u></u>

The notes form part of these financial statements

Absolutely Cultured Limited

Notes to the Cash Flow Statement for the year ended 31st March 2022

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(250,759)	(166,255)
Adjustments for:		
Depreciation charges	15,845	36,899
(Profit)/loss on disposal of fixed assets	(104)	1,145
Interest received	(187)	(1,717)
Increase in stocks	(1,388)	(2)
Increase in debtors	(151,433)	498,206
(Decrease)/increase in creditors	(226,178)	(76,306)
Deferred taxation provision movement	-	(1,995)
Net cash (used in)/provided by operations	<u>(614,204)</u>	<u>289,975</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21 £	Cash flow £	At 31.3.22 £
Net cash			
Cash at bank and in hand	<u>2,160,374</u>	<u>(622,461)</u>	<u>1,537,913</u>
	<u>2,160,374</u>	<u>(622,461)</u>	<u>1,537,913</u>
Total	<u>2,160,374</u>	<u>(622,461)</u>	<u>1,537,913</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the year ended 31st March 2022**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised once the charity or its subsidiary has entitlement to the funds after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether capital or revenue, is recognised when the charity or its subsidiary 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.

Donations represent grant and sponsorship monies receivable by the group where the donor does not receive any significant benefits other than the knowledge that the charitable company must apply the monies to further its charitable objectives.

Donations in kind are donated professional services and donated facilities to the charitable company. They are recognised on the basis of the value of the gift to the charitable company which is the amount the charitable company 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 in the charitable company's accounts.

Income from the sale of goods is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of income can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the charity or its subsidiaries and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually at the point of sale.

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.

Expenditure

Expenditure is recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Expenditure on charitable activities comprises the costs of planning and delivering the performances, exhibitions and other educational activities arranged in furtherance of the charitable company's objects, together with their associated support costs.

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.

**Notes to the Financial Statements - continued
for the year ended 31st March 2022**

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost. Depreciation is provided on all tangible fixed assets, 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

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

As a registered charity, the charitable 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.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

Fixed asset investments

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.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of financial activities allocated to the appropriate heading.

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 Financial Statements - continued for the year ended 31st March 2022

1. ACCOUNTING POLICIES - continued

Going concern

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

The current economic conditions, coupled with the ongoing 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 2024 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 2024 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.

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.

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	10,004	5,658
Donations in kind	-	8,312
Grants	<u>800,704</u>	<u>502,798</u>
	<u>810,708</u>	<u>516,768</u>

Absolutely Cultured Limited

Notes to the Financial Statements - continued for the year ended 31st March 2022

2. DONATIONS AND LEGACIES - continued

Grants received, included in the above, are as follows:

	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Arts Council England	-	579,321	579,321	-	235,679	235,679
Yorkshire Water	-	45,000	45,000	-	-	-
Hull City Council	-	40,000	40,000	-	-	-
Spirit of 2012	-	4,912	4,912	-	103,999	103,999
Esmeé Fairbairn	-	66,000	66,000	-	-	-
Elephant Trust	-	2,000	2,000	-	-	-
Hull College	-	5,000	5,000	-	-	-
Kickstart	-	45,119	45,119	-	-	-
East Riding	-	-	-	-	-	-
Yorkshire Council	-	2,685	2,685	-	-	-
NESTA	-	-	-	-	20,000	20,000
Covid support	10,667	-	10,667	143,120	-	143,120
	<u>10,667</u>	<u>790,037</u>	<u>800,704</u>	<u>143,120</u>	<u>359,678</u>	<u>502,798</u>

3. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Professional services	8,333	2,700
Merchandise sales	830	-
Partners and club members	-	251,000
	<u>9,163</u>	<u>253,700</u>

4. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	<u>187</u>	<u>1,717</u>

Absolutely Cultured Limited

Notes to the Financial Statements - continued for the year ended 31st March 2022

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Partnerships & Development	53,468	28,187	81,655
Marketing & Communications	91,087	48,322	139,409
Programme & Delivery	614,287	326,187	940,474
	<u>758,842</u>	<u>402,696</u>	<u>1,161,538</u>

6. SUPPORT COSTS

	Staffing costs £	IT, travel & communications £	Other admin costs £	Governance costs £	Totals £
Partnerships & Development	14,436	1,322	11,088	1,341	28,187
Marketing & Communications	24,746	2,267	19,009	2,300	48,322
Programme & Delivery	167,042	15,300	128,321	15,524	326,187
	<u>206,224</u>	<u>18,889</u>	<u>158,418</u>	<u>19,165</u>	<u>402,696</u>

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

6a. GOVERNANCE COSTS

	2022	2021
Auditors' remuneration	13,815	19,514
Legal charges	-	662
Consultancy and professional fees	4,594	4,985
Trustees expenses	<u>756</u>	<u>1,463</u>
	<u>19,165</u>	<u>26,624</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Depreciation - owned assets	15,845	36,899
(Surplus)/deficit on disposal of fixed assets	(104)	1,145
Auditors remuneration	<u>13,815</u>	<u>19,514</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

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 2018/19 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 £4,800 (2021: £6,400) for her services.

During the year £164 (2021: £nil) in travel and subsistence expenses was paid out to two trustees (2021: nil trustees).

Absolutely Cultured Limited**Notes to the Financial Statements - continued
for the year ended 31st March 2022****9. STAFF COSTS**

	2022	2021
Staff salaries	480,382	460,580
Redundancy and termination payments	-	5,714
Freelance contracts, secondments and salaries in kind	22,790	64,434
Employer's NIC	41,502	43,937
Pension scheme contributions	25,650	28,280
	<u>570,324</u>	<u>602,945</u>

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

	2022	2021
Administration	5	4
Partnerships and development	2	1
Marketing and communications	3	2
Programming and delivery	7	7
	<u>17</u>	<u>14</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
£60,001 - £70,000	<u>1</u>	<u>1</u>

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 £222,606 (2021: £263,637).

Absolutely Cultured Limited

**Notes to the Financial Statements - continued
for the year ended 31st March 2022**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	157,090	359,678	516,768
Other trading activities	253,700	-	253,700
Investment income	1,717	-	1,717
Other income	5,065	-	5,065
Total	417,572	359,678	777,250
EXPENDITURE ON			
Charitable activities			
Partnerships & Development	535,940	407,565	943,505
Total	535,940	407,565	943,505
NET INCOME/(EXPENDITURE)	(118,368)	(47,887)	(166,255)
RECONCILIATION OF FUNDS			
Total funds brought forward	2,037,138	47,887	2,085,025
TOTAL FUNDS CARRIED FORWARD	1,918,770	-	1,918,770

11. TANGIBLE FIXED ASSETS - GROUP

	Leasehold improvements £	Computer equipment £	Fixtures and fittings £	Totals £
COST				
At 1st April 2021	255,700	49,608	65,478	370,786
Additions	-	4,012	4,536	8,548
Disposals	-	(9,492)	-	(9,492)
At 31st March 2022	<u>255,700</u>	<u>44,128</u>	<u>70,014</u>	<u>369,842</u>
DEPRECIATION				
At 1st April 2021	232,355	46,303	56,822	335,480
Charge for year	7,858	3,430	4,557	15,845
Eliminated on disposal	-	(9,492)	-	(9,492)
At 31st March 2022	<u>240,213</u>	<u>40,241</u>	<u>61,379</u>	<u>341,833</u>
NET BOOK VALUE				
At 31st March 2022	<u>15,487</u>	<u>3,887</u>	<u>8,635</u>	<u>28,009</u>
At 31st March 2021	<u>23,345</u>	<u>3,305</u>	<u>8,656</u>	<u>35,306</u>

Absolutely Cultured Limited

**Notes to the Financial Statements - continued
for the year ended 31st March 2022**

11a. TANGIBLE FIXED ASSETS – CHARITY

	Freehold property £	Computer equipment £	Fixtures and fittings £	Totals £
COST				
At 1st April 2021	255,700	45,900	40,695	342,295
Additions	-	4,012	1,153	5,165
Disposals	-	(9,492)	-	(9,492)
At 31st March 2022	255,700	40,420	41,848	337,978
DEPRECIATION				
At 1st April 2021	232,355	42,596	32,038	306,989
Charge for year	7,858	3,430	3,513	14,801
Eliminated on disposal	-	(9,492)	-	(9,492)
At 31st March 2022	240,213	36,534	35,551	312,298
NET BOOK VALUE				
At 31st March 2022	15,487	3,887	6,298	25,670
At 31st March 2021	23,345	3,304	8,657	35,306

12. FIXED ASSET INVESTMENTS – CHARITY

	Shares in group Undertaking
Cost	
At 1st April 2021	1
At 31st March 2022	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.

13. STOCKS

	Group	
	2022 £	2021 £
Stocks	1,654	266

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022	2021	2022	2021
Trade debtors	60,979	289	58,000	-
Other debtors	2,350	6,920	2,350	6,920
VAT	532	-	-	-
Prepayments and accrued income	131,521	36,740	130,594	36,460
Amount due from group undertaking	-	-	60,441	246,098
	195,382	43,949	251,385	289,478

Absolutely Cultured Limited

Notes to the Financial Statements - continued for the year ended 31st March 2022

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	12,951	24,479	12,239	24,478
Social security and other taxes	15,457	10,364	20,391	33,029
Other creditors	4,434	4,278	4,434	4,279
Generation Hull	7,040	-	7,040	-
Producer Exchange	18,339	-	18,339	-
Accruals and deferred income	36,726	282,004	32,219	279,004
	<u>94,947</u>	<u>321,125</u>	<u>94,662</u>	<u>340,790</u>

Deferred Income

Deferred income at 1st April 2021	248,703	46,500	248,703	46,500
Resources deferred in the year	253	237,793	253	237,793
Amounts released from previous year	(245,733)	(35,590)	(245,733)	(35,590)
Deferred income at 31st March 2022	<u>3,223</u>	<u>248,703</u>	<u>3,223</u>	<u>248,703</u>

Deferred income comprises the following:

	2022	2021
	£	£
Grants	2,970	248,703
Ticket sales	253	-
	<u>3,223</u>	<u>248,703</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	Group		Charity	
	2022	2021	2022	2021
			£	£
Within one year	32,000	32,000	32,000	32,000
Between one and five years	32,000	64,000	32,000	64,000
	<u>64,000</u>	<u>96,000</u>	<u>64,000</u>	<u>96,000</u>

Absolutely Cultured Limited

**Notes to the Financial Statements - continued
for the year ended 31st March 2022**

17. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
Unrestricted	1,918,770	(250,759)	1,668,011
TOTAL FUNDS	<u>1,918,770</u>	<u>(250,759)</u>	<u>1,668,011</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted	120,742	(371,501)	(250,759)
Restricted funds			
Restricted	790,037	(790,037)	-
TOTAL FUNDS	<u>910,779</u>	<u>(1,161,538)</u>	<u>(250,759)</u>

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
Unrestricted	2,037,138	(118,368)	1,918,770
Restricted funds			
Restricted	47,887	(47,887)	-
TOTAL FUNDS	<u>2,085,025</u>	<u>(166,255)</u>	<u>1,918,770</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted	417,572	(535,940)	(118,368)
Restricted funds			
Restricted	359,678	(407,565)	(47,887)
TOTAL FUNDS	<u>777,250</u>	<u>(943,505)</u>	<u>(166,255)</u>

18. RECONCILIATION OF MOVEMENTS IN RESTRICTED INCOME FUNDS

		As at 1st April	Income	Expenditure	Transfers	As at 31st March
<u>2021/2022</u>	Arts Council England	-	579,321	(579,321)	-	-
	Spirit of 2012	-	4,912	(4,912)	-	-
	Yorkshire Water	-	45,000	(45,000)	-	-
	Hull College	-	5,000	(5,000)	-	-
	Hull City Council	-	40,000	(40,000)	-	-
	Hull City Council Kickstart	-	45,119	(45,119)	-	-
	Esmee Fairburn	-	66,000	(66,000)	-	-
	East Riding Yorkshire Council	-	2,685	(2,685)	-	-
	Elephant Trust	-	2,000	(2,000)	-	-
		<u>-</u>	<u>790,037</u>	<u>(790,037)</u>	<u>-</u>	<u>-</u>
<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)	-	-
		<u>47,887</u>	<u>359,678</u>	<u>(407,565)</u>	<u>-</u>	<u>-</u>

19. PENSION CONTRIBUTIONS

The company contributes to the personal pension schemes of its employees. The costs incurred for the year amount to £25,650 (2021: £28,280) of which £4,434 remained outstanding at the balance sheet date (2021: £4,279).

20. RELATED PARTY DISCLOSURES

During the year, the company paid £167 (2021: £788) to the Hideout Hotel Ltd for accommodation provided during the year. The Trustee G.F. Allenby is a shareholder and director in this company.

21. CONTINGENT LIABILITIES

The restricted income received by the company is dependent upon the company delivering the agreed outputs attached to each grant and reporting 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 the donors may seek repayment of grants made. The Board, however, consider these risks to be remote.

22. SECURITY

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