



PK Porthcurno

Trustees' Report and Consolidated Financial Statements

Period ended 31 March 2021

Registered charity number 1189090

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Vision

"We have designed our civilization based on science and technology and at the same time arranged things so that almost no one understands anything at all about science and technology. This is a clear prescription for disaster"

Carl Sagan

OUR VISION:

A world where people are inspired by the past, understand the science and technology that connects them, and use that knowledge to imagine and shape a better future.

OUR MISSION:

We enable people to explore the connected world, understand the history, science and technology of global communications, and consider what this means in their own lives.

OUR VALUES:

Inspiring: we love what we do and hope to inspire others by sharing our enthusiasm and inviting their participation

Progressive: we are forward thinking, adventurous and not afraid to try new things

Relevant: we engage people with our collections and stories and how these relate to their own lives

Sustainable: we work towards a sustainable world and aim to do no harm

Open: we create an inclusive and open environment which welcomes respectful discourse

Legal and administrative information

Registered office and

principal place of business: Eastern House
Porthcurno
Penzance
Cornwall, TR19 6JX

Charity registration number: 1189090

VAT number: GB 699 4558 55

Trustees

The trustees of PK Porthcurno during the period under review were:

Gareth Parry (Chairman, Vice-chairman to 28 April 2021)
Tamsin Daniel (Vice-chairman from 28 April 2021) (appointed 1 October 2020)
Christopher Fyles (Chairman to 28 April 2021, Treasurer to 15 May 2021)
Polina Bayvel (appointed 27 January 2021)
Patrick Cowan (resigned 28 April 2021)
David Foot (appointed 28 April 2021)
Peter Johnson (resigned 28 April 2021)
Andrew MacLeod (appointed 28 October 2020)
Simon Menneer
Richard Perry (appointed 1 October 2020)
Bryony Robins (resigned 28 April 2021)
Julie Seyler (appointed 1 October 2020, resigned 28 April 2021)
Deborah Tritton (appointed 1 October 2020)

Principal officers

The management team reports to the board of trustees and is responsible for the overall management of the charity.

The team of managers comprise:

Chairman: Gareth Parry

Treasurer: Christopher Fyles (Treasurer to 15 May 2021)

Creative Director & CEO: Julia Twomlow

Head of Finance & Resources: Patricia McCartney

The Chairman, Treasurer, CEO & Creative Director and Head of Finance & Resources are responsible for managing the finances and administration of the charity and for ensuring compliance with all legal obligations.

Legal and administrative information (continued)

Independent advisers

Solicitors: Murrell Associates LLP
14 High Cross
Truro
Cornwall
TR1 2AJ

Counterculture LLP
Unit 115 Ducie House
Ducie Street
Manchester
M1 2JW

Auditor: RRL LLP
Peat House
Newham Road
Truro
Cornwall, TR1 2DP

Bankers: CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Director's Report

This is the first report of PK Porthcurno, the new Charitable Incorporated Organisation which was founded in 2020 to take over ownership and management of the former Telegraph Museum Porthcurno from its predecessor, the Porthcurno Collections Trust. The museum now operates under the new name, PK Porthcurno, Museum of Global Communications.

As a result of this restructure, the final report of the Porthcurno Collections Trust covered the extended 18-month period from April 2019 to September 2020 when the Trust finally transferred ownership and control of the museum, collections and site to the new charity. This report covers the subsequent 6 months from October 2020 to March 2021, bringing the reporting period back in line with the financial year.

PK Porthcurno took over ownership and control of the museum during the COVID-19 pandemic. Consequently, when the museum reopened to the public it was with multiple restrictions in terms of prebooking, visitor numbers, timed visits, routes through the museum, removing or disabling interactive displays and providing hand sanitizing stations. Planned activities around the 150th anniversary had already been shelved, cancelled, or postponed and the new charity found itself navigating uncharted waters.

I have divided this report into sections which broadly align with the areas and activities delivered at PK Porthcurno.

Operations & Visitor Services

The museum had reopened to the public on 10 September, with free admission subsidised by Arts Council England Recovery Fund. Free entry was offered as a temporary measure to reflect the diminished offer we were able to provide whilst remaining COVID-secure, and to try and regain momentum after the lengthy period of closure. Many changes were introduced to make the visitor experience more COVID-safe including a controlled one-way route around the museum, recommended pre-booking, 'test and trace' data collection and a limit of only 12 customers per half hour slot. These measures were in place throughout the season.

While visitor numbers in September had been steady, running at just over 75% of the same period in the previous year, by October they were very strong and were up by 38% on last year. Visitor feedback about the COVID-related measures was overwhelmingly positive and visitor flow was well managed without any pinch-points or areas of concern. One benefit of the new system was in levelling the peaks in visitor ingress and making for an easier, safer and more pleasant environment in the museum for both staff and visitors.

On 3 November 2020, the museum closed again with the imposition of the second lockdown. The intention was to reopen for the post-Christmas period 28 – 31 December but Cornwall was placed into Tier 3 with effect from midnight on 30 December, enforcing closure a day earlier than planned. Travel restrictions placed on large parts of the country in December also impacted on the number of visitors from the home counties and the southeast, traditionally a source of many of our winter visitors.

We used the quiet time afforded by the enforced closure to review and revise our retail strategy in relation to the shop, in readiness for an improved offer in the next financial year.

We also took the opportunity to plan changes for the monitoring and enforcement of parking in the museum's car park.

Public Programming & Projects

Despite COVID-19 and the cancellation of events, we honoured our contracts with artists that had already been commissioned. Lucy Birbeck made a set of silk flags for display on the café terrace during the summer months and Graham Jobbins worked on a large withy sculpture of Mercury, The Messenger.

Grants from Arts Council England Recovery Funding and the Clore Duffield Foundation enabled us to commission two new touring productions to take our story out into the community. These were with Ed Rowe and Palores Productions to produce a new schools' show called The Cable King telling the story of John Pender

Director's Report (continued)

and the 1870 cable. The second was with Annamaria Murphy and Bagas Degol to write a new music and spoken word production called 'Exiles', touring to community venues and village halls in 2021.

Plans to import and install Morgy - the Giant Communications Squid, made by Portuguese/Italian artist collective Moradavaga, were put on hold due to COVID-19. We plan to revisit and complete this project in 2022.

Engagement & Learning

We were accepted onto the 'Kids in Museums' Playful Museums mentoring project alongside 10 other national museums. This included online training sessions and a 1-2-1 with 'Kids in Museums' play workers, as well as trialling ideas at PK Porthcurno in order to embed an element of playfulness across engagement activity and to promote happiness and playful connection. During October half term and as part of the Playful Museums mentoring project, we shared ideas of things to play at home for families including 'Time travel' and 'Build a den'. All the museum case studies were shared by Kids in Museums in the Spring and the blog was included on our website.

A 5-week partnership project with artists 'Storylines' and Sennen Primary School took place in November and December 2020. This project involved Year 2/3/4 children acting as 'Story Messengers' both in class and at home. The children explored themes including communication, kindness, connection, community, and COVID-19.

Our regular STEAM Explorers sessions became remote based. Once a month our Science Learning Facilitator shared an activity online to do at home or in school. These included making a PK Rocket and Algorithmic Art. We also created remote resources for schools based on our 150th anniversary and delivered remote sessions about PK Porthcurno to the Café Sci-Fi Group.

Before Christmas, Children from St Buryan Academy School designed their own wishes in a bubble for 2021 that were displayed at PK Porthcurno during the days the museum was open in December. A 'Wish in a Bubble' takeaway pack was also made available for visitors to PK Porthcurno to pick up and do at home or display in the museum on our 'Wish in a Bubble' wishing line.

Volunteers

A small group of technical and engineering volunteers returned to work in the workshop during October. Our Learning Facilitator maintained connection with all our volunteers and staff during periods of lockdown through sharing editions of 'Stay Connected' internal newsletters.

The Pandemic meant that we are still unable to welcome back our archive volunteers to the Search Room. We therefore created archive projects that could be done remotely including transcribing documents from scanned copies. Several students from Exeter University were keen to be involved, as well as our current archive volunteers.

Collections

Funded with a grant from Arts Council England, Designated Collections Development Fund, our project PK150: Connected Collections made good progress. The aim of this project was to create an online searchable database to provide remote access to our collections. Alongside the online database, we had to provide an engagement programme to connect people to the collections remotely and explore their use. The project had to be reframed from its original plan due to COVID-19, but this did not diminish its quality. An Archive Research Facilitator was appointed who in turn recruited a group of five Citizen Curators from Exeter University and a further five international students based at locations connected to the telegraph. Each Citizen Curator was paired with an international student to work remotely to research an agreed topic. International students were in universities in South Africa, India, New Zealand, Hong Kong and Portugal. As the students are

Director's Report (continued)

unable to visit the museum, the Archive Research Facilitator worked with a local filmmaker to create a 25-minute introduction to PK Porthcurno, focusing on different aspects of the collection and archive.

In November 2020 we appointed a new Collections Cataloguer to work on the Connected Collections project, improving and modifying our MODES database in preparation for our online collections catalogue that is planned to go live in 2021/22. Following tendering and interview, developers, Surface Impressions were appointed for the online catalogue.

Student placements

In addition to the student involvement in PK150: Connected Collections, we were able to work with two groups of History students from Exeter University. Each group worked with digitised material from the archive that has been recently gifted to the collections. One project involves cataloguing Sir Edward Wilshaw's family films dating between the 1930s and 1950s. The other project involves the transcription of letters written by an employee of The Western Telegraph Company detailing his career which began in 1915.

In collaboration with Richard Noakes (Associate Professor at Exeter University) we also put together an expression of interest for a PhD in collaboration with BT Archive for a start in late 2021. The subject of the PhD is 'Race, ethnicity and telecommunications in Britain and its empire, 1850-present'.

Environmental Responsibility

In October 2020 we appointed a Project Development Manager as a temporary (6-month) post initially to provide support on our "Planet PK" Environmental Programme.

In early 2020 PK Porthcurno were thrilled to be national winners of the Cultural Enterprises Green Award. In October we went on to win the award for Contribution to the Environment and the Circular Economy at the Cornwall Heritage Awards 2020 for our work on wildflower planting and beekeeping. We also received 'Commended' in the Wildlife Friendly Award category at Cornwall Tourism Awards 2021.

Work commenced on our fields behind the museum to clear invasive clematis. This is a five-year project and is being led and managed by the National Trust.

Our Gardener and Groundsman continued to lead on the beekeeping with support from volunteers. By the end of the season, we had five active hives on site. Honey produced was put into jars and sold through the museum shop.

Having worked with Tevi to strip most single use plastics from the shop, café and office areas, PK Porthcurno is now an official Surfers Against Sewage Plastic Free Business Champion. We are now heading up a partnership for the whole of Porthcurno Valley to become a Plastic Free Community; this involves the formation of a Plastic Free Steering Group to carry out the necessary procedures. Partners include The Minack Theatre, the National Trust and the Porthcurno Residents' Association.

In November 2020, Planet PK launched its own Instagram channel which documents wildlife and natural history in Porthcurno Valley as well as promoting PK Porthcurno's environmental and sustainability actions. The channel grew in size quickly and now also has its own dedicated page on the PK Porthcurno website which hosts a regular 'Young Curators' blog documenting wildlife and environmental stories in the museums grounds and Porthcurno Valley. A night-time wildlife camera (supplied by Tevi, Exeter University) was installed outside the museum office and footage from which has included regular visits from foxes and badgers which is regularly shared on the Young Curators blog and Planet PK Instagram.

Via Planet PK, we became active supporters and partners in the West Penwith application to become an official International Dark Sky Park, sitting on the steering group alongside representatives from Cornwall Council, Cornwall AONB and Penwith Landscape Partnership.

Director's Report (continued)

Marketing & Communication

In October 2020, thanks to funding from Arts Council England Recovery Fund, we were able to appoint a temporary Marketing and Communications Manager enabling us to complete and launch our new website and roll out our rebranding. In January 2021 we also appointed a new Digital Marketing Apprentice on an 18-month contract.

In November 2020, we launched a new E-newsletter via a sign-up button on the website, social media advertising, online booking system email capture and an onsite newsletter sign-up form. The first e-newsletter was sent mid-January to 222 subscribers.

We also tendered for and engaged a research company to create bespoke market research of our current visitors and non-visitors.

Our Valley Wi-Fi Hotspot was enhanced with the addition of a Wi-Fi CRM system to track the Wi-Fi usage points around the valley. This system allows us to create an attractive landing page for the Wi-Fi, and point users to our valley app, and the PK Porthcurno website. It will provide us with user data (if users agree they can join our e-newsletter – growing our subscriber base), allowing us to build a profile of visitors to the valley and where they log in to the Valley Wi-Fi, which will be useful in developing marketing strategies for the future.

Conclusion

Like everyone, we continue to live and work within the constraints of the pandemic, and now a range of new uncertainties that accompany Brexit. This is a difficult time, and one in which future planning is especially challenging, requiring a mixture of caution and brave innovative thinking as we reframe ourselves for a changed way of working that is not going away anytime soon.

Where we used to focus on tourism, we now need to look closer to home. Where museum visitors were once our priority, we need to give equal weight to outreach programmes, remote and digital engagement. Where visitor experience was all about hands on interaction, we must explore new forms of interpretation that keep people safe. On the positive side, this is not an entirely new way of thinking for us. This has been our direction of travel at PK Porthcurno since before COVID-19 and was the basis of the strategic plan which we adopted in December 2019, and which secured three years' funding from the Vodafone Foundation.

I feel especially proud of the extraordinary team at PK Porthcurno – those that have worked at the museum for years and have had to adapt to a whole new way of working, and those that have joined us for the first time in the midst of a pandemic. They have all risen to the challenge bravely and cheerfully. At the end of our first six months of trading as the new charity, we look forward collectively to the year ahead with caution but also with genuine excitement knowing that the challenges are significant, but that they also bring opportunities.

Julia Twomlow

Creative Director & CEO

Trustees' report

The trustees are pleased to present their report together with the audited consolidated financial statements of PK Porthcurno for the period ended 31 March 2021 and confirm that the latter comply with the requirements of the Constitution and the Charities SORP 2019.

PK Porthcurno is a Charitable Incorporated Organisation (CIO) and its UK registered charity number is 1189090.

On 1 October 2020, The Porthcurno Collections Trust (registered charity number 1062233), transferred its activities, assets and liabilities to the CIO, PK Porthcurno.

Structure, Governance and Management

Governing document

The governing document of the charity is a Constitution dated 14 April 2020. The charity is governed by a board of individual trustees.

Trustee induction and training

Existing trustees are already familiar with, and the majority experienced in, the work of charities by virtue of their currently holding or having previously held trustee appointments with other charities. New trustees may be appointed at any time (either by way of replacement or addition) by the existing trustees.

All trustees have been acquainted with the Charity Commission's guide "the Essential Trustee", which is distributed free to all trustees together with a copy of the charity's constitution and latest report and accounts. In the event of a vacancy a new trustee would be encouraged to attend a series of meetings with existing trustees and employees and, if necessary, attend a short external course.

A Governance Review was carried out during the period ended 31 March 2021 and is reviewed on an ongoing basis. The Trustee pack continues to be updated on a regular basis for the existing and new trustees.

Organisation

The board of trustees meet quarterly and are responsible for the strategic direction of the CIO. The day-to-day responsibility for the running of the charity rests with the CEO & Creative Director and assistants who report to the board of the trustees.

Risk Management

The trustees have examined the major operational and financial risks that the CIO faces and confirms that procedures have been implemented to enable regular reviews to be undertaken and reports to be produced in order that the necessary steps can be taken to minimise any potential impact on the Trust should those risks materialise.

Objectives and Activities

PK Porthcurno is an educational charity, originally established by Cable and Wireless plc in 1997 as The Porthcurno Collections Trust, whose activities, assets and liabilities were transferred to the charity on 1 October 2020. The objects of the charity, as contained in the constitution 'are to advance the education of the public particularly in the sciences and the history of science and innovation and the history of Porthcurno including without prejudice to the generality by preserving, restoring, researching, maintaining and documenting for display to the general public the Tunnels, the Collection and telecommunications equipment and artefacts, buildings and documents and to undertake any charitable activity for the benefit of the public and in particular those members of the public living or working in the vicinity of the Charity's projects.'

The charity's major activities are the operation of an award-winning museum, the care and management of the Cable & Wireless historic archive, the maintenance of the object collections, historic buildings and grounds at Porthcurno and the provision of formal and informal learning opportunities. By providing access to unique, world-class historical resources on the history of telecommunications, the charity continues to increase the reputation of Porthcurno as an important centre for study and a valuable educational resource.

Trustees' report (continued)

The trustees consider that as an educational charity the PK Porthcurno satisfies the meaning of charitable purpose as defined by section 2(2) of the Charities Act. As such it considers that it has complied with the duty in section 4 of the Act having due regard to public benefit guidance published by the Charity Commission.

Financial Review

In 2020/21 the charity had incoming resources of £375,524. Of this total, £60,000 was provided by Vodafone Foundation. The charity continued to provide heritage services to the Company, focusing on the care and management of the historic archive. Vodafone Foundation's funding is a major contribution to the charity's museum activities. The funding has been important in maintaining the quality and range of museum activities offered by the charity.

The remainder of the charity's income is generated by: museum entrance fees £476, shop sales £3,341, café sales £8,459, property rentals £1,680, car park income £3,113, project grants £57,389, COVID-19 related funding £176,100 from a variety of sources, interest and dividends £6,620 and other miscellaneous sources £58,346.

Reserves Policy

The net expenditure for the period on unrestricted funds was £74,395. There was also a transfer of £77,795 from the restricted funds to the unrestricted funds. This largely related to £65,948 from the ACE Recovery Fund to compensate for the COVID-19 related free admissions and to reflate the reserves. These amounts have been added to and deducted from the surplus balance of unrestricted income funds of £45,572 giving an accumulated surplus of £49,152 excluding amounts arising from the revaluation of fixed assets and investments.

The trustees have considered the charity's various sources of income and the risk that this could be reduced. Although the charity is not substantially dependent on donations, it is largely dependent on seasonal tourism and its location is very isolated. There is a risk that factors outside of the control of the charity could result in a substantial reduction in income one summer which would have an impact on the charity for 12 months. During the period under review, the effect of COVID-19 has had a significant impact on the organisation's income. This impact has been greatly mitigated by the various COVID-19 emergency funds. The trustees consider that reserves should be maintained at an amount equivalent to about 12 months' expenditure. The target reserves are £75,000.

The trustees monitor the need for reserves and the current level of reserves at least once a year considering factors such as sources of income, risks of income reduction, anticipated costs of maintaining the charity.

Fundraising Policy

PK Porthcurno does not use external fundraisers or commercial parties; all fundraising for the CIO is conducted by the CEO & Creative Director and staff of the CIO, with appropriate oversight and guidance by the board of trustees. Our strategic fundraising objective is to sustain and build the CIO's income to meet our long-term capital and revenue needs. The focus of our fundraising activity is on developing relationships with charitable trusts, local and central authorities, and appropriate corporate sponsors. We comply with all current fundraising legislation, seeking to keep abreast of fundraising developments to ensure best practice in all our fundraising activities.

PK Porthcurno encourages donations, both ad hoc or via appeals, through our newsletter to subscribers, website, on site donation boxes and via leaflets and posters. We do not run telephone campaigns or targeted personalised mailshots and we do not actively seek legacies from individuals unless approached by donors or their families. PK Porthcurno has not received any complaints about its fundraising practices.

Trustees' report (continued)

Investment policy

The Constitution permits the trustees to make such investments as they think proper. The policy is to achieve the maximum total return in terms of capital growth and income without incurring undue risks subject to any minimum income requirement agreed from time to time.

The Future

The charity is currently looking at the options available for development that would enable it to be more sustainable in the future. These options include seeking to attract new sponsors and funders (specifically to fund new exhibitions and initiatives), partnering with national museums, with local government and with other local attractions with the aim of boosting visitor numbers and, also, aiming to attract new sources of grant funding to support the development (as part of new visitor offerings) of other buildings which form part of the museum's campus.

Statement of Trustees' Responsibilities

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

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements giving a true and fair view, the Trustee should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable it to ascertain the financial position of the charity and which enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. It is also responsible for safeguarding the assets of the charity 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 charity's auditor is unaware; and
- the trustees have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the trustees and signed on their behalf by:

Gareth Parry
Chairman
27 January 2022

Independent auditor's report to the Trustees of PK Porthcurno

Opinion

We have audited the financial statements of PK Porthcurno (the 'parent charity') and its subsidiary (the 'group') for the period ended 31 March 2021 which comprise of the Statement of Financial Activities, the Balance Sheet, Statement of Cash flows 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 parent charity's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the period 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charity's ability

Independent auditor's report to the Trustees of PK Porthcurno (continued)

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.

In our evaluation of the trustees' conclusion, we considered the risks associated with the charity's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit. We analysed how those risks might affect the charity's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, 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 the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the group and parent charity's ability to

Independent auditor's report to the Trustees of PK Porthcurno (continued)

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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

- Obtain an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which they operate. We determined that the following laws and regulations were most significant: the Charities Act 2011 and the Companies Act 2006;
- Review of the disclosures in the financial statements and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiries of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of trustee meetings and correspondence with regulators (where relevant);
- Performing audit work in connection with the risk of management override of controls, including testing journal entries for reasonableness and evaluating the business rationale of significant transactions outside the normal course of business.

We also communicate relevant identified laws and regulations and potential fraud risk to all engagement team members and remain alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Independent auditor's report to the Trustees of PK Porthcurno (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

RRL LLP

Statutory Auditors

Peat House

Newham Road

TRURO

Cornwall

TR1 2DP

27 January 2022

RRL LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Charity statement of financial activities incorporating an income and expenditure account for the period ended 31 March 2021

	Note	Unrestricted funds	Restricted funds	Total
		£	£	£
Income				
Donations:				
- Donations	2	8,243	-	8,243
- Subscriptions and other gifts		458	-	458
Charitable activities:				
- Grants	2	50,838	282,240	333,078
- Service contracts		8,161	-	8,161
- Car parking		3,113	-	3,113
Other trading activities:				
- Museum entrance fees		476	-	476
- Gift shop income		3,341	-	3,341
- Café income		8,459	-	8,459
- Other activities		1,895	-	1,895
Investments:				
- Dividends & interest received		6,620	-	6,620
- Property rentals and services		1,680	-	1,680
Total income		93,284	282,240	375,524
Expenditure				
Raising funds:				
- Cost of raising funds		7,148	-	7,148
- Cost of goods sold and other costs		6,665	-	6,665
- Investment management costs	3	336	-	336
Charitable activities:				
- Service contracts	6	7,000	-	7,000
- Other activities	4 & 6	146,530	162,396	308,926
- Depreciation of assets		-	47,969	47,969
Total expenditure		167,679	210,365	378,044
Net expenditure/(income)		(74,395)	71,875	(2,520)
Transfer between funds		77,975	(77,975)	-
Other recognised gains/(losses):				
Net gains/ on investments		16,551	-	16,551
Net movement in funds		20,131	(6,100)	14,031
Reconciliation of funds:				
Total funds transferred in on 1 October 2020		2,370,910	2,454,850	4,825,760
Total funds as at 31 March 2021		2,391,041	2,448,750	4,839,791

A reconciliation of the movement in funds is given in note 13. There were no discontinued operations within the charity for the period ended 31 March 2021.

On 1 October 2020 the activities, assets, liabilities and funds of The Porthcurno Collection Trust (charity number 1062233) were transferred to PK Porthcurno. PK Porthcurno commenced to trade on 1 October 2020.

Consolidated statement of financial activities incorporating an income and expenditure account for the period ended 31 March 2021

	Note	2021 Group £	2021 Charity £
Income			
Donations:			
- Donations	2	8,243	8,243
- Subscriptions and other gifts		458	458
Charitable activities:			
- Grants	2	333,078	333,078
- Service contracts		8,161	8,161
- Car parking		3,113	3,113
Other trading activities:			
- Museum entrance fees		476	476
- Gift shop income		3,341	3,341
- Café income		8,459	8,459
- Other activities		1,895	1,895
Investments:			
- Dividends & interest received		6,620	6,620
- Property rentals and services		1,680	1,680
Total income		375,524	375,524
Expenditure			
Raising funds:			
- Cost of raising funds		7,148	7,148
- Cost of goods sold and other costs		6,665	6,665
- Investment management costs	3	336	336
Charitable activities:			
- Service contracts	6	7,000	7,000
- Other activities	4 & 6	308,926	308,926
- Depreciation of assets		47,969	47,969
Other expenditure:		1,239	-
Total expenditure		379,283	378,044
Net expenditure		(3,759)	(2,520)
Transfer between funds		-	-
Other recognised gains:			
Net gains/(losses) on investments		16,551	16,551
Net movement in funds		12,792	14,031
Reconciliation of funds:			
Total funds transferred in on 1 October 2020		4,825,613	4,825,760
Total funds as at 31 March 2021		4,838,405	4,839,791

A reconciliation of the movement in funds is given in note 13. There were no discontinued operations within the charity for the period ended 31 March 2021.

Restricted income & expenditure in the above group statement of financial activities wholly relates to the charity, details of which can be found in the charity statement of financial activities.

Charity balance sheet at 31 March 2021

	<i>Note</i>	Unrestricted Funds	Restricted Funds	2021 Total Funds
		£	£	£
Fixed assets				
Tangible assets	8	2,000,001	2,329,777	4,329,778
Shares in subsidiary undertaking	9	10	-	10
Total fixed assets		2,000,011	2,329,777	4,329,788
Current assets				
Stock for resale		11,050	-	11,050
Debtors	11	38,344	54,424	92,768
Investments		341,879	-	341,879
Cash at bank and in hand		38,655	64,734	103,389
Total current assets		429,928	119,158	549,086
Creditors: amounts falling due within one year	12	38,898	185	39,083
Net current assets		391,030	118,973	510,003
Total assets less current liabilities		2,391,041	2,448,750	4,839,791
Net assets		2,391,041	2,448,750	4,839,791
The funds of the charity:				
Restricted funds				
- Restricted funds		-	2,448,750	2,448,750
Unrestricted funds:				
- Unrestricted income funds		391,031	-	391,031
- Revaluation reserve		1,500,000	-	1,500,000
- Land & buildings revaluation reserve		500,000	-	500,000
- Shares in subsidiary undertaking		10	-	10
Total charity funds	13	2,391,041	2,448,750	4,839,791

Consolidated Balance sheet at 31 March 2021

	<i>Note</i>	2021 Group	2021 Charity
		£	£
Fixed assets			
Tangible assets	8	4,329,778	4,329,778
Shares in subsidiary undertaking	9	-	10
Total fixed assets		4,329,778	4,329,788
Current assets			
Stock for resale		11,050	11,050
Debtors	11	92,306	92,768
Investments		341,879	341,879
Cash at bank and in hand		106,864	103,389
Total current assets		552,099	549,086
Creditors: amounts falling due within one year	12	43,472	39,083
Net current assets		508,627	510,003
Total assets less current liabilities		4,838,405	4,839,791
Net assets		4,838,405	4,839,791
The funds of the charity:			
Restricted funds			
- Restricted funds		2,448,750	2,448,750
Unrestricted funds:			
- Unrestricted income funds		389,655	391,031
- Revaluation reserve		1,500,000	1,500,000
- Land & buildings revaluation reserve		500,000	500,000
- Shares in subsidiary undertaking		-	10
Total charity funds	13	4,838,405	4,839,791

The notes on pages 21 to 32 form part of these financial statements.

These financial statements were approved by the trustees on 27 January 2022 and were signed on its behalf by:

Chairman
Gareth Parry

Vice Chairman
Tamsin Daniel

Consolidated statement of cash flows for the period ended 31 March 2021

	Note	2021 Group £	2021 Charity £
Cash flows from operating activities:			
- Net cash used by operating activities	1	<u>(10,948)</u>	<u>(9,885)</u>
Cash flows from investing activities:			
- Dividends, interest and rents from investments		7,964	7,964
- Purchase of property, plant and equipment		<u>(31,652)</u>	<u>(31,652)</u>
Net cash used on investing activities		<u>(23,688)</u>	<u>(23,688)</u>
Change in cash and cash equivalents in the reporting period		(34,636)	(33,573)
Cash and cash equivalents transferred in on 1 October 2020		<u>141,500</u>	<u>136,962</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>106,864</u></u>	<u><u>103,389</u></u>

Notes to the Statement of cash flows
Note 1 - Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2021 £
Net expenditure for the period ended 31 March 2021	(3,759)	(2,520)
Adjustments for:		
- Depreciation charges	47,969	47,969
- Dividends, interest and rents from investments	(7,964)	(7,964)
- Decrease/(Increase) in stocks	3,132	3,132
- Decrease/(Increase) in debtors	(39,805)	(39,805)
- (Decrease)/Increase in creditors	<u>(10,521)</u>	<u>(10,697)</u>
Net cash (used)/provided by operating activities	<u>(10,948)</u>	<u>(9,885)</u>

Note 2 - Analysis of cash and cash equivalents

	2021 £	2021 £	Change in period £
Cash in hand	<u>106,864</u>	<u>103,389</u>	<u>(34,636)</u>
Total cash and cash equivalents	<u><u>106,864</u></u>	<u><u>103,389</u></u>	<u><u>(34,636)</u></u>

Notes (forming part of the financial statements)

1 Summary of significant accounting policies

(a) General information and basis of preparation

PK Porthcurno is a charitable incorporated organisation registered in England and Wales. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are preserving the important historic buildings and collections relating to the telegraph station at Porthcurno. It educates the general public about the history of the telegraph station and provides internationally significant archive and research resources for study of the history of international telecommunications.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of a revenue grant from Cornwall Council of £12,500. Details of other government assistance received during the period are included within note 3. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

(c) Income recognition (continued)

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds comprise the costs of commercial trading including gift shop and café and their associated costs;
- Expenditure on charitable activities includes the costs of maintaining the collections, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated costs; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 7.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

(f) Tangible fixed assets (continued)

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	Nil
Freehold buildings	50 years
Museum refurbishment	20 years
Permanent exhibitions	20 years
Car park and landscaping	15 – 20 years
Fixtures and fittings	5 – 10 years

The original value of the land and property assets has not been included in the balance sheet as the property is heritage property and the charity is not permitted to sell it on the open market.

(g) Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Fair values for donated assets are estimated by reference to market prices.

Where information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts then heritage assets are not recognised on the balance sheet.

Acquisitions only arise when donated to the charity or if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geophysical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public with prior agreement. Heritage assets are to be held for the foreseeable future.

Endowment funds represent those assets which must be held permanently by the charity, principally the original World War II communication centre, known as "the tunnels", built in the hillside of Porthcurno in the 1940's, access, car parking area and a collection of historic telecommunications equipment.

(h) Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

(i) Investments

Investments in subsidiaries are measured at cost less impairment.

(j) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first in, first out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

(k) 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 expenditure.

(l) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(m) Concessionary loans

Concessionary loans include those payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes.

(n) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised.

(o) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(p) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(q) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(r) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(s) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(t) 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 association 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 only affects that period, or in the period of the revision and future periods where the revision affects both current and future periods.

(u) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Porthcurno Enterprises Limited on a line-by-line basis. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

(v) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value with changes recognised in 'net gains/ (losses) on investments' in the statement of financial activities if the shares are publicly traded or their fair value can otherwise be measured reliably.

For quoted shares, the fair value is deemed to be the quoted bid price as at the balance sheet date. Investments in subsidiaries are measured at cost less impairment.

2 Donations

	2021 £
Restricted funds:	
Vodafone Foundation	60,000
Arts Council of England	40,122
Subsea Environmental Services	10,074
Esme Fairbairn Collections Fund - wAVE Project	6,443
COVID-19 funding	
- Arts Council England - Recovery Grant	147,600
- Arts Council England - Emergency Response Fund	3,500
- Clore Cultural Learning Fund	12,500
Grants from various sources listed below	<u>2,001</u>
	<u><u>282,240</u></u>

Donations from various sources include Access to Learning and the Digital Commissioning Fund.

Included with unrestricted donations are the following:-

- G & E Pollitzer Charitable Fund - a donation of £5,000 was received.

Included with unrestricted grants are the following government grants:

- HMRC - grants have been received totalling £38,338 to help with furloughed staff whilst in a nationwide lockdown due to COVID-19.

- Cornwall Council - grants have been received totalling £12,500. The local restrictions support grant has been issued to help businesses during the national lockdown and COVID-19 outbreak.

3 Investment management costs

	2021 £
Other expenses	<u>336</u>
	<u><u>336</u></u>

4 Support and governance costs

	2021 £
Staff costs	30,846
Premises and running expenses	116,684
Audit and accountancy	<u>6,000</u>
	<u><u>153,530</u></u>

5 Staff costs

	2021 £
Salaries and wages	206,351
Social Security	13,297
Pensions	4,419
	<u>224,067</u>
Average monthly headcount was	<u>27.0</u>

Trustees are not remunerated.

The charity operated an auto-enrolment compliant pension scheme in line with the current legislation.

The key management personnel of the charity comprise the Creative Director & CEO, Head of Finance & Resources , Head of Collections & Learning, Head of Visitor Services & Operations and Finance & Resources Manager. The total employee benefits of the key management personnel of the charity were £81,562 for the 6 month period .

There were no employees whose annual remuneration was £60,000 or more.

6 Charitable expenditure

Activity	Funded expenditure	Support and governance costs (see 1(e))	Total 2021
	£	£	£
Archive & Museum	82,891	59,975	142,866
Gift shop and café	-	48,340	48,340
Learning & participation	50,994	45,215	96,209
Maintenance	28,511	-	28,511
	<u>162,396</u>	<u>153,530</u>	<u>315,926</u>

7 Taxation

PK Porthcurno is a registered charity and the results of its normal activities are not liable to Corporation Tax. Activities which are not primary purpose trades are within the statutory limits prescribed by the statutory exemption for small trading.

8 Tangible fixed assets

	Freehold land & buildings	Permanent exhibitions	Fixtures, fittings & equipment	Total
Cost or valuation	£	£	£	£
Transfer 1 October 2020	5,157,450	723,977	257,663	6,139,090
Additions	6,011	21,527	4,114	31,652
Disposal	-	-	(4,404)	(4,404)
At 31 March 2021	5,163,461	745,504	257,373	6,166,338
Depreciation				
Transfer 1 October 2020	1,362,518	202,160	228,317	1,792,995
Charge for period	24,456	18,542	4,971	47,969
Depn on disposal	-	-	(4,404)	(4,404)
At 31 March 2021	1,386,974	220,702	228,884	1,836,560
Net book value				
At 31 March 2021	3,776,487	524,802	28,489	4,329,778
Transfer 1 October 2020	3,794,932	521,817	29,346	4,346,095

The predecessor charity was gifted various property in the Porthcurno valley by Cable & Wireless Plc. The trustees decided to recognise the value of certain buildings to the charity. Other land included in the conveyance has not been valued because of its unsuitability for sale on the open market, being mainly scrub and hillside land. Some interest has been expressed by local residents to acquire parcels of the land adjacent to residential property and the trustees will consider these on a case by case basis.

In October 2020, the former Superintendent's house, Mercury House, was valued by a local surveyor. It had been recognised in the accounts at a value of £880,000 but following that valuation, is now recognised at a value of £500,000.

Only the specific refurbishment of freehold property has been depreciated. This is because the estimated residual value of land and buildings is not considered to be materially different to the carrying value of the assets. Therefore, any depreciation charge would also be immaterial. This situation will be reviewed annually.

The fixtures and fittings include many small items of equipment which have been fully depreciated but are still in use within the charity.

If the freehold land and buildings had not been included at valuation, they would have been included under the historical cost convention as follows:

	2021
	£
Cost	3,663,460
Accumulated depreciation	(1,386,974)
Net book value	2,276,486

A legal charge over the freehold property had been given to the National Heritage Memorial Fund to secure the repayment of a grant should it become repayable.

9 Shares in subsidiary undertaking

	Issued Share Capital	Ownership
Porthcurno Enterprises Limited	£10	100%
	<u>£10</u>	<u>100%</u>

The company is incorporated in England and Wales and its area of operation is the United Kingdom. The company's business is that of a charity trading company and an exhibition production company from 1 April 2017.

The loss before tax for the period ended 31 March 2021 was £1,239 (2020: £4,778) and the loss after tax credit was £1,239 (2020: nil) and the value of the equity and reserves at 31 March 2021 was £(1,376) (2020: £(137)).

10 Heritage property not recognised in the balance sheet

The charity owns the original World War II communication centre, known as "the tunnels", built in the hillside of Porthcurno in the 1940s. This property along with access, car parking area and a collection of historic telecommunications equipment, was gifted to the charity by The Eastern Telegraph Company Limited, a subsidiary of Cable & Wireless Plc.

There have been no acquisitions or disposals of heritage assets during the last five years.

The current insurance value for "the tunnels" is £1,850,000 on a replacement basis. The collection is insured to a value of £500,000 again on an estimated replacement basis, albeit that many of the items would now be irreplaceable.

11 Debtors	Group	Charity
	2021	2021
	£	£
Trade debtors	44,171	44,171
Amounts owed by group undertakings	-	5,240
Other debtors	20,391	15,613
Prepayments and accrued income	27,744	27,744
	<u>92,306</u>	<u>92,768</u>
	<u>92,306</u>	<u>92,768</u>
12 Creditors: amounts falling due within one year	Group	Charity
	2021	2021
	£	£
Trade creditors	6,126	6,126
Other creditors including taxation	9,625	7,642
Accruals	24,568	22,162
Deferred income	3,153	3,153
	<u>43,472</u>	<u>39,083</u>
	<u>43,472</u>	<u>39,083</u>

13 Analysis of charitable funds - period ended 31 March 2021

	Transferred in 1 October 2020	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2021
Restricted funds	£	£	£			£
- Heritage Lottery Fund	1,114,667	-	38,677	-	-	1,075,990
- Vodafone Foundation	-	60,000	60,000	-	-	-
- Cornwall Council Culture Team	119,451	-	2,225	-	-	117,226
- DCMS/Wolfson Fund	291,463	-	6,588	-	-	284,875
- Clore Duffield Foundation	99,544	-	1,854	-	-	97,690
- Wilshaw Benevolent Trust	247,348	-	4,450	-	-	242,898
- Other funds	582,377	222,240	96,571	(77,975)	-	630,071
- Total restricted income funds	2,454,850	282,240	210,365	(77,975)	-	2,448,750
Unrestricted funds:						
- Unrestricted income funds	45,572	93,284	167,679	77,975	-	49,152
- PK Contingency Investment portfolio	325,328	-	-	-	16,551	341,879
- Revaluation reserve	1,500,000	-	-	-	-	1,500,000
- Investment property revaluation reserve	500,000	-	-	-	-	500,000
- Shares in subsidiary undertaking	10	-	-	-	-	10
- Total unrestricted funds	2,370,910	93,284	167,679	77,975	16,551	2,391,041
	4,825,760	375,524	378,044	-	16,551	4,839,791

All restricted funds are raised and given for specific purposes and projects and are output related. These outputs incorporate fees, consultancies, project spend and implementation work. The conditions governing the income or grants restrict these funds and costs are allocated against the funded element available. Excess expenditure on such projects is met from unrestricted funds.

The charity's unrestricted funds can be used, with the approval of the trustees, to fund any expenditure relating to projects or general running costs which fall within the charity's general aims and objectives.

The restricted funds represent the residue of the initial grants and other funding received to finance the redevelopment of the museum and refurbish the heritage property and grounds donated as a permanent endowment.

The board agreed that the investment portfolio element of the Wilshaw Benevolent Trust fund should be reclassified as part of the unrestricted funds and is shown above as the PK Contingency Investment portfolio.

14 Lease commitments

Total commitments under non-cancellable operating leases are as follows:

	Other
	2021
	£
Expiry date:	
- Within one year	4,490
- Between two and five years	<u>3,501</u>
	<u><u>7,991</u></u>

15 Related party transactions

Spouse of the CEO & Creative Director. Transactions totalling £3,505 took place during the period in relation to exhibition research and curation. There were nil amounts outstanding as at 31 March 2021.

Daughter of the CEO & Creative Director. Transactions totalling £4,487 relating to employment (including employer's pension contributions and expenses) took place during the period. There were nil amounts outstanding as at 31 March 2021.

Porthcurno Enterprises Ltd - wholly owned subsidiary of the charity. As at 31 March 2021 the company owed £5,240 to the CIO.

On 1 October 2020 the activities of The Porthcurno Collection Trust (charity number 1062233) were transferred to PK Porthcurno along with the assets, liabilities and reserves of the charity. See the statement of financial activities for details of the reserves transferred on 1 October 2020.

16 Post balance sheet events

On 18 June 2021, the charity purchased the leasehold of The Cable Station Inn and the Coach House, in Porthcurno for £550,000. The charity already owns the freehold of the two properties.