



PK Porthcurno

Trustees' Report and Consolidated Financial Statements

Period ended 31 March 2022

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, resigned 25 November 2022)
Christopher Fyles (Chairman to 28 April 2021, Treasurer to 15 May 2021)
Polina Bayvel
Patrick Cowan (resigned 28 April 2021)
David Foot (appointed 28 April 2021)
Peter Johnson (resigned 28 April 2021)
Andrew MacLeod
Simon Menneer (resigned 3 August 2022)
Richard Perry
Bryony Robins (resigned 28 April 2021)
Julie Seyler (resigned 28 April 2021)
Deborah Tritton

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:	<p>Murrell Associates LLP 14 High Cross Truro Cornwall TR1 2AJ</p> <p>Counterculture LLP Unit 115 Ducie House Ducie Street Manchester M1 2JW</p>
Auditor:	<p>RRL LLP Peat House Newham Road Truro Cornwall, TR1 2DP</p>
Bankers:	<p>CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ</p>
Investment bankers:	<p>Brewin Dolphin Ltd T/as RBC Brewin Dolphin Vantage Point Woodwater Park Pynes Hill Exeter Devon EX2 5FD</p>

Director's Report

This annual report covers first full year of operations of PK Porthcurno, a year that began unusually during a Covid-19 lockdown. The previous year had been fraught with difficulties for everyone, but we had been far from idle. Several new staff members had joined the team and we had undertaken reviews of our commercial and visitor offer in preparation for reopening, so by the time we were able to welcome the public back to the museum on 19 May 2021, we were genuinely excited.

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

Visitor Services

With the museum closed to the public since December 2020 due to lockdown, the first month of the new financial year centred on planning for reopening to the public. Covid-related changes made in the previous year around visitor flow and safety were reviewed, with time limits on entry continuing, but elsewhere as much of the visitor experience as possible restored to a pre-Covid state.

Across the year, museum visitor numbers were understandably lower than in pre-Covid years at 13,801 as compared to 18,303 in 2019-20. In part this was due to ongoing limitations on admissions which sometimes caused us to turn customers away. Despite this, total Visitor Services income was up by over 23% when compared with previous years with a marked increase in Spend Per Visitor (SPV) particularly for the shop and café.

During lockdown we had taken the opportunity for a full review of our retail offer. This resulted in a considerable overhaul of the museum shop for our reopening, with revamped displays and a focus on higher value, more esoteric product lines. The role of Retail Coordinator was created to implement these changes. A review of the museum café also began in the summer of 2021, aiming to bring it in line with the refreshed shop offer. A job share Café Supervisor role was created to support these changes. In December 2021 we also launched a new online shop for the first time featuring our branded and bespoke PK Porthcurno and Planet PK products as well as an extensive new range of books and science-based toys and games.

Exhibitions

Our plans in 2020 for the 150th anniversary of the first cable landing at Porthcurno had necessarily been shelved due to the pandemic. However, in 2021-22 we were able to revisit and realise some of these ideas. Amongst these was the launch of a new exhibition called 'The Cable King' which opened in July 2021. Telling the story of entrepreneur, John Pender, founder of the Eastern Telegraph Company and Porthcurno Telegraph Station, the exhibition includes a range of objects, artefacts and documents from the Pender family, many of which have not previously been on public display. Central to the display is a specially commissioned Lego model of the first cable landing at Porthcurno in 1870. The exhibition was kindly made possible by donations from Trustees, Gareth Parry and Dave Foot.

As part of our environmental programme, Planet PK, we also created an exhibition to celebrate the beauty of the night sky. Titled 'Lights out for Darker Skies', this contributed to West Penwith's successful application for International Dark Sky Park status. The exhibition was supported by a grant from Cornwall AONB and focussed on Porthcurno Valley. It featured stunning dark sky images and nocturnal wildlife footage, inviting visitors to explore their own relationship with the night and consider their individual actions for promoting darker skies.

Engagement

During the year, the Engagement Team devised a rich range of inspiring and playful activities, events and workshops exploring the history and science of communications. Initially much of this was delivered online due to ongoing concerns over Covid and included activities such as PK Play@Home and remote versions of our

Director's Report (continued)

popular STEAM Explorers sessions. We also took part in the annual Festival of Tomorrow for the first time as a virtual stall holder.

In the summer of 2021, the Engagement Team recommenced 'in person' delivery including on site and outreach programming. Highlights included a new relationship with St Buryan Toddler Group to co-create playful and imaginative experiences with the group. Based on this work, our Engagement Team was later invited by *Kids in Museums* to present a case study on 'Meaningful Consultation with Families with Under 5's' as part of a Southwest Museums Development online event.

A further new collaboration was the creation of a theatre production and game based on PK with Ed Rowe (the Kernow King). A school tour of the new show commenced in February 2022, to continue through the following year.

On site at the museum, we held outdoor 'Pop Up' activities in PK gardens, mini PK tours of the museum and weekly family events throughout the summer with a range of wonderful hands on and interactive activities. At the end of the summer, our regular STEAM Explorers sessions recommenced in the Clore Learning Space with a special focus on the environment.

As a part of Speak Cornish Week, volunteers Gareth and Pat Parry designed a PowerPoint introduction to speaking Cornish which was shared with our Visitor Services team as training before the event. We also created a short introductory film on the museum in the Cornish language that was shared online.

Our commitment to improving access and inclusion at the museum continued with staff training from *Kids in Museums* on 'Welcoming Families with Autism'. As a result, we updated our Social Story and Sensory Map and made it available to download from our website as well as at the museum. These are designed for visitors with access needs and on the Autism Spectrum and both were very well received by Access Cornwall during a visit to PK. We also created a 'quiet room' for visitors that may benefit from a breakout space during a visit.

Work with Cornwall Museums' Partnership included hosting a visit to the museum from the Black British Museum. Via Cornwall Museums' Partnership we also took part in a joint project called 'Hireth' which saw the development of an audio-described film of our 150-year story by local artist Susanna Webster. The intention is that this will become an accessible resource that can be shared with groups such as care homes and memory cafés. An additional short 'mindfulness' film was commissioned from Alban Roinard using the environment of Porthcurno Valley and the PK gardens.

Our dedicated team of technical and engineer volunteers have continued to maintain interactive displays and other equipment throughout the museum. In addition, they have carried out PAT testing on all our portable appliances and created a cable game for visitors to try out in the museum. A small number of Cable Stitches worked remotely to knit an Afghan rug to celebrate the 150th anniversary of the first cable landing at Porthcurno. This has been hung in the museum reception area.

In addition to our museum-based helpers, we recruited several remotely based Young Curator volunteers. Two were in Australia and carried out research into how the undersea cables in there have recently been added to the NT Heritage list. Further Young Curators helped with transcribing the contents pages of the 'Zodiac' and assisting with developing and devising the kids' activities for the summer.

In the garden, we recruited our first gardener volunteer working with our gardener once a week as a work experience placement.

On 4 October, we hosted a party to celebrate Albert Lorens' 100th birthday in the museum café. Albert was a former employee of Cable & Wireless and a volunteer at the museum for many years. The gathering was attended by Albert's close friends and family and former colleagues/fellow volunteers at the museum.

Director's Report (continued)

Communications & PR

Good progress has been made in improving the museums communications channels with a greater focus on online content and a reduction in printed material. This started with an internal review of the layout of the website which was then substantially revised prior to reopening in May. Social media following continued to grow steadily across both the museum's own channels and our Planet PK environmental channels. After some technical issues, the PK Wi-Fi hotspot is up and running, providing free internet access for visitors and residents across the museum grounds and the public car parks.

In the summer a new PK Friends membership scheme was launched which is integrated with our EPOS system and website so that Friends can book their admission tickets online and receive discounts in the shop and café. A PK e-newsletter is now written and sent out monthly.

In March 2022, PK Porthcurno featured in the new BBC Radio 4 series 'The Museums That Make Us' with Neil MacGregor.

Environmental Responsibility

Environmental concerns are central to every decision we make at PK Porthcurno and the umbrella name we give this work is Planet PK. Planet PK formally recognises our duty of care as residents and landowners within the Valley, which is within an Area of Outstanding Natural Beauty. It embeds green values within the charity's future programming, engagement, commercial activities and business plans.

This year, the work of one individual staff member was recognised in terms of his contribution to the environment of Porthcurno Valley. Patrick Trembath is our gardener and groundsman but in addition he is our resident beekeeper and leads a small team of volunteers who keep bees on the museum site. In February, Patrick's hard work with the bees and the gardens throughout lockdown and last summer, won him and the museum a special 'Unsung Hero' award at the Cornwall Tourism Awards. PK also received commended in the Wildlife Friendly Tourist Attraction category.

In partnership with our neighbours in the National Trust, work has now commenced on a five-year project to clear invasive Clematis from our fields behind the museum. We look forward to having ponies grazing the land in the near future.

Our Planet PK digital media presence continues to be strong, drawing attention to issues including littering and behaviour as well as positive actions that can be taken around climate change and biodiversity. Several 'takeovers' have been performed for other like-minded bodies including The Wildlife Trusts, Cornwall AONB, Cornwall Mammal Group, Cornwall Seal Group Research Trust, Cornwall Museums' Partnership, Best Days Out Cornwall and Walking in Cornwall. Planet PK has also received national coverage with a featured wildlife night-cam post of a badger playing outside the museum on BBC Springwatch, which has 391k followers. At nearly 70,000 engagements, our badger post had the most engagements of any video on their channel. Planet PK also had a feature article on Finisterre clothing company's The Broadcast blog with supporting posts on the company's social media. There was also a feature article in print for Cornwall AONB's Environment Series article which appeared in the West Briton, Cornishman and Cornish Guardian.

Having now achieved Plastic Free Champion status with Surfers Against Sewage (SAS) for the museum, Planet PK have also assisted both The Minack Theatre and the Porthcurno Beach Café in getting the same. Following on from this, Planet PK created a Plastic Free Steering Group with the aim to achieve SAS accredited Plastic Free Community status for Porthcurno Valley. The group includes representatives from Cornwall AONB, National Trust, local council, The Minack Theatre, Porthcurno Beach Café and local Porthcurno residents. By the end of the year, we achieved official Plastic Free Community status from Surfers Against Sewage for the whole of Porthcurno.

Director's Report (continued)

Collections

PKOC

The largest project collections-based project of the year was undoubtedly PKOC (PK Online Collections) and the associated online symposium 'PK150 – Connected Collections'. This was a two-year project funded by Arts Council England, Designation Development Fund. It involved 'tidying up' all our 33,567 records to ensure that data was accurate and accessible before the platform was launched. The site itself was designed and built by Surface Impressions. Advice and guidance were kindly given to the PK team by Trustee, Deborah Tritton who had recently undertaken a similar project at Kresen Kernow.

As part of the project, we hosted our first online symposium titled 'PK150: Connected Collections' which went on to win the 2022 Cornwall Heritage Awards in the 'Opportunity' category. With support from Anwar Akhtar of The Samosa, the symposium showcased the work produced by five Citizen Curators from Exeter University, buddied with international students from communities at the other end of a telegraph cable. These included an interactive map of New Zealand telegraph history; a film and webpage about the life at the Singapore telegraph station; a second film looking at the spread of the English language in India and its link to telegraphy; blog posts exploring the impact of telegraphy in Zimbabwe and how telegraphy impacts and interacts with the environment. The symposium was a huge success and received excellent feedback. It is available to view on the PK Porthcurno website along with all the work produced by the students. Following the success of the project, a new temporary exhibition was installed in the Tunnels showcasing the students' work as well as highlighting the PK Online Collections (PKOC).

Higher Education

Our relationship with Exeter University continues to go from strength to strength. Following two successful student placements in 2020-2021, we were able to provide the university with three projects for 2021-2022. These included two around improving the searchability of our catalogue records for both our 'Zodiac' and oral history collections. The third linked with our Digital Takeover Day with *Kids in Museums* and focussed on the ecological impacts of the use of Gutta Percha by the telegraph industry.

Along with Exeter University, we are also involved in the delivery of two PhD studentships. The first, in collaboration with BT Archive and the Science Museum, is titled 'Race, Ethnicity and Telecommunications in Britain and its Empire, 1850-present'. The second, funded by AHRC, is titled 'Sustaining the Nervous System of the World: An Environmental History of Submarine Cable Telegraphy circa 1880-1940' is a collaboration between PK and the Universities of Exeter and Bath Spa.

Acquisitions

In December 2021, we took delivery of 14 portraits on long-term loan from the Pender family. These include an oil painting of John Pender attributed to George Frederic Watts, a large portrait of his wife Emma Pender by Philip Westcott and a painting of his mother Marion currently attributed to the German artist, Johann Zoffany. After cleaning decades of dust and dead arachnids from the rear of the paintings, these have now been stored in the archive. Research into the paintings and related artists is now underway, with plans to get them valued and raise funds to have them professionally conserved.

PK Porthcurno has been offered the GPO Mobile Telegraph Office (known as 'Poppy') to join the museum's collections. The office is in the form of a red bus and provided cable and wireless services at major sporting events between 1956 and 1972. Plans are now underway to bring Poppy to Porthcurno and provide suitable storage. The gift comes from Tony and Iris Leah.

Strategic Development

In June 2021, the leasehold purchase was completed of both the Cable Station Inn and the Coach House, Porthcurno. Both properties were part of the historic Porthcurno Telegraph Station site and, while not listed,

Director's Report (continued)

have significance and are part of our story. The freehold for both properties was owned by PK Porthcurno, but with a 1,000-year lease. This purchase enabled us to reunite the lease and freehold under one owner. At the time of purchase, the condition of the Cable Station Inn was known to be poor, as was reflected in the purchase price of £300,000. The Coach House, while in better condition, also required significant works to bring it up to standard for residential or holiday letting. Refurbishment of the Coach House began as a priority with a view to having it ready for holiday letting in 2022, under the new name 'Telegraph Cottage'. Refurbishment of the Cable Station Inn, renamed the 'Exiles Club', is to be at the centre of a new and ambitious development plan for the wider site over the next few years, for which funding will be sought. In the meantime, holding works have been undertaken to make the building safe and secure.

Conclusion

Reflecting on the year now, it was one of both successes tempered with some frustrations. The dip in visitor numbers was to be expected as we continued to emerge from the pandemic. However, it was balanced to some extent by an uptick in spend per visitor and dwell time, much of which is attributable to the excellent work of the team in improving the retail, café and exhibition offerings. The achievement of the collections and learning team made us all proud. Not only did they succeed in creating a fabulous online searchable database of our unique collections, but they also delivered our first ever online international symposium, which went on to win the 'Opportunities' prize at Cornwall Heritage Awards.

I must also say a word for our fabulous gardener and beekeeper, Patrick Trembath, who was recognised for his terrific work during Covid-19 with both an 'Unsung Hero' award at Cornwall Tourism Awards and a national prize for 'Outstanding Contribution' from the Cultural Enterprises Awards.

It was also brilliant that we finally completed on the purchase of the Cable Station Inn and Coach House cottage, after two years of negotiations. Despite their poor state of repair, these are historic properties that formed a central part of the original telegraph station site and reinstating them into the ownership of the charity is an exciting and symbolic moment.

To conclude I would like to express my deepest gratitude to everyone at PK Porthcurno; my colleagues, volunteers, funders, partners, visitors, the Board of Trustees and our Chair, Professor Gareth Parry, for supporting us through what has been tumultuous beginning for the new charity. If we manage this well and achieve this much in adversity, then we have much to look forward to.

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 year ended 31 March 2022 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.

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 year ended 31 March 2022 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 charity 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 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 2021/22 the group had incoming resources of £1,470,053. Of this total, £120,000 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 £84,205, shop sales £31,746, café sales £50,357, property rentals £6,184, car park income £44,985, project grants £152,888, donation from Wilshaw Benevolent Trust on its closure £886,719, COVID-19 related funding £54,217 from a variety of sources, interest and dividends £5,699 and other miscellaneous sources £33,053.

Reserves Policy

The net income for the period on unrestricted funds was £696,213. There was also a transfer of £16,602 from the unrestricted funds to the restricted funds largely relating to the match funding for the National Portfolio Organisation funding and Designated Development Fund from Arts Council England. These amounts have been added to and deducted from the surplus balance of unrestricted income funds of £47,776 giving an accumulated surplus of £727,787 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
23 January 2023

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 year ended 31 March 2022 which comprise the consolidated and charity statement of financial activities, the consolidated and charity balance sheets, the consolidated statement of cash flows and notes to the financial statements, including 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 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 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 trustees and the related disclosures and the appropriateness of the going concern basis of preparation and the charity'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 charity's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a charity 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's or parent charity'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.

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

Other information

The other information comprises the information included in the trustees report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees 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 12, 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's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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

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

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.

As part of our audit work, we obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which they operate. We determined that the laws and regulations that were most significant were those that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, and compliance with the Charities Statement of Recommended Practice. In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty. These include data protection regulations, health and safety regulations, licensing acts and employment legislation. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- 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;
- Performing audit work in connection with the risk of management override of controls, including testing journal entries for reasonableness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for potential bias.

We also communicate relevant identified laws and regulations and potential fraud risk to all engagement team members and remain alert to any indications 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 Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

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

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

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 Auditor)

*Peat House
Newham Road
TRURO
Cornwall
TR1 2DP*

January 2023

*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 year ended 31 March 2022

	Note	Unrestricted funds	Restricted funds	Total 2022	2021
		£	£	£	£
Income					
Donations:					
- Donations	2	891,996	-	891,996	8,243
- Subscriptions and other gifts		15,231	-	15,231	458
Charitable activities:					
- Grants	2	37,817	289,526	327,343	333,078
- Service contracts		5,218	-	5,218	8,161
- Car parking		4,567	-	4,567	3,113
Other trading activities:					
- Museum entrance fees		84,205	-	84,205	476
- Gift shop income		31,746	-	31,746	3,341
- Café income		50,357	-	50,357	8,459
- Other activities		7,088	-	7,088	1,895
Investments:					
- Dividends & interest received		5,699	-	5,699	6,620
- Property rentals and services		20,434	-	20,434	1,680
Total income		1,154,358	289,526	1,443,884	375,524
Expenditure					
Raising funds:					
- Cost of raising funds		17,507	-	17,507	7,148
- Cost of goods sold and other costs		44,750	-	44,750	6,665
- Investment management costs	3	1,849	-	1,849	336
Charitable activities:					
- Service contracts	4 & 6	5,178	-	5,178	7,000
- Other activities	4 & 6	404,294	338,934	743,228	308,926
- Depreciation & amortisation of assets		5,000	96,957	101,957	47,969
Total expenditure		478,578	435,891	914,469	378,044
Net income/(expenditure)		675,780	(146,365)	529,415	(2,520)
Transfer between funds		(16,202)	16,202	-	-
Other recognised (losses)/gains:					
Net (losses)/gains on investments		(33,092)	-	(33,092)	16,551
Net movement in funds		626,486	(130,163)	496,323	14,031
Reconciliation of funds:					
Total funds as at 31 March 2021		2,391,041	2,448,750	4,839,791	4,825,760
Total funds as at 31 March 2022		3,017,527	2,318,587	5,336,114	4,839,791

A reconciliation of the movement in funds is given in note 14. There were no discontinued operations within the charity for the year ended 31 March 2022.

Consolidated statement of financial activities incorporating an income and expenditure account for the year ended 31 March 2022

	Note	2022 Group £	2021 Group £	2022 Charity £	2021 Charity £
Income					
Donations:					
- Donations	2	891,996	8,243	891,996	8,243
- Subscriptions and other gifts		15,231	458	15,231	458
Charitable activities:					
- Grants	2	327,343	333,078	327,343	333,078
- Service contracts		5,218	8,161	5,218	8,161
- Car parking		4,567	3,113	4,567	3,113
Other trading activities:					
- Museum entrance fees		84,205	476	84,205	476
- Gift shop income		31,746	3,341	31,746	3,341
- Café income		50,357	8,459	50,357	8,459
- Other activities		47,507	1,895	7,088	1,895
Investments:					
- Dividends & interest received		5,699	6,620	5,699	6,620
- Property rentals and services		6,184	1,680	20,434	1,680
Total income		1,470,053	375,524	1,443,884	375,524
Expenditure					
Raising funds:					
- Cost of raising funds		17,507	7,148	17,507	7,148
- Cost of goods sold and other costs		44,750	6,665	44,750	6,665
- Investment management costs	3	1,849	336	1,849	336
- Car parking		5,736	-	-	-
Charitable activities:					
- Service contracts	4 & 6	5,178	7,000	5,178	7,000
- Other activities	4 & 6	743,228	308,926	743,228	308,926
- Depreciation & amortisation of assets		101,957	47,969	101,957	47,969
Other expenditure:		-	1,239	-	-
Total expenditure		920,205	379,283	914,469	378,044
Net income/(expenditure)		549,848	(3,759)	529,415	(2,520)
Transfer between funds		-	-	-	-
Other recognised (losses)/gains:					
Net (losses)/gains on investments		(33,092)	16,551	(33,092)	16,551
Net movement in funds		516,756	12,792	496,323	14,031
Reconciliation of funds:					
Total funds as at 31 March 2021		4,838,405	4,825,613	4,839,791	4,825,760
Total funds as at 31 March 2022		5,355,161	4,838,405	5,336,114	4,839,791

A reconciliation of the movement in funds is given in note 14. There were no discontinued operations within the charity for the year ended 31 March 2022.

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 2022

	<i>Note</i>	Unrestricted Funds	Restricted Funds	2022 Total Funds	2021 Total Funds
		£	£	£	£
Fixed assets					
Intangible assets	8	25,000	-	25,000	-
Tangible assets	9	2,511,236	2,248,359	4,759,595	4,329,778
Shares in subsidiary undertaking	10	10	-	10	10
Total fixed assets		2,536,246	2,248,359	4,784,605	4,329,788
Current assets					
Stock for resale		22,151	-	22,151	11,050
Debtors	12	27,394	48,804	76,198	92,768
Investments		454,387	-	454,387	341,879
Cash at bank and in hand		13,449	26,174	39,623	103,389
Total current assets		517,381	74,978	592,359	549,086
Creditors: amounts falling due within one year	13	36,100	4,750	40,850	39,083
Net current assets		481,281	70,228	551,509	510,003
Total assets less current liabilities		3,017,527	2,318,587	5,336,114	4,839,791
Net assets		3,017,527	2,318,587	5,336,114	4,839,791
The funds of the charity:					
Restricted funds					
- Restricted funds		-	2,318,587	2,318,587	2,448,750
Unrestricted funds:					
- Unrestricted income funds		1,017,517	-	1,017,517	391,031
- Revaluation reserve		1,500,000	-	1,500,000	1,500,000
- Land & buildings revaluation reserve		500,000	-	500,000	500,000
- Shares in subsidiary undertaking		10	-	10	10
Total charity funds	14	3,017,527	2,318,587	5,336,114	4,839,791

Consolidated Balance sheet at 31 March 2022

	<i>Note</i>	2022 Group £	2021 Group £	2022 Charity £	2021 Charity £
Fixed assets					
Intangible assets	8	25,000	-	25,000	-
Tangible assets	9	4,759,595	4,329,778	4,759,595	4,329,778
Shares in subsidiary undertaking	10	-	-	10	10
Total fixed assets		4,784,595	4,329,778	4,784,605	4,329,788
Current assets					
Stock for resale		22,151	11,050	22,151	11,050
Debtors	12	83,110	92,306	76,198	92,768
Investments		454,387	341,879	454,387	341,879
Cash at bank and in hand		53,782	106,864	39,623	103,389
Total current assets		613,430	552,099	592,359	549,086
Creditors: amounts falling due within one year	13	42,864	43,472	40,850	39,083
Net current assets		570,566	508,627	551,509	510,003
Total assets less current liabilities		5,355,161	4,838,405	5,336,114	4,839,791
Net assets		5,355,161	4,838,405	5,336,114	4,839,791
The funds of the charity:					
Restricted funds					
- Restricted funds		2,318,587	2,448,750	2,318,587	2,448,750
Unrestricted funds:					
- Unrestricted income funds		1,036,574	389,655	1,017,517	391,031
- Revaluation reserve		1,500,000	1,500,000	1,500,000	1,500,000
- Land & buildings revaluation reserve		500,000	500,000	500,000	500,000
- Shares in subsidiary undertaking		-	-	10	10
Total charity funds	14	5,355,161	4,838,405	5,336,114	4,839,791

The notes on pages 22 to 35 form part of these financial statements.

These financial statements were approved by the trustees on 23 January 2023 and were signed on its behalf by:

Chairman
Gareth Parry

Consolidated statement of cash flows for the year ended 31 March 2022

	Note	2022 Group £	2021 Group £	2022 Charity £	2021 Charity £
Cash flows from operating activities:					
- Net cash provided/(used) by operating activities	1	<u>625,008</u>	<u>(10,948)</u>	<u>614,324</u>	<u>(9,885)</u>
Cash flows from investing activities:					
- Dividends, interest and rents from investments		24,284	7,964	24,284	7,964
- Purchase of property, plant and equipment		(556,774)	(31,652)	(556,774)	(31,652)
- Proceeds from sale of investments		329,615	-	329,615	-
- Purchase of investments		(475,215)	-	(475,215)	-
Net cash used on investing activities		<u>(678,090)</u>	<u>(23,688)</u>	<u>(678,090)</u>	<u>(23,688)</u>
Change in cash and cash equivalents in the reporting		(53,082)	(34,636)	(63,766)	(33,573)
Cash and cash equivalents as at 31 March 2021		<u>106,864</u>	<u>141,500</u>	<u>103,389</u>	<u>136,962</u>
Cash and cash equivalents at the end of the reporting	2	<u><u>53,782</u></u>	<u><u>106,864</u></u>	<u><u>39,623</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**

	2022 £	2021 £	2022 £	2021 £
Net income/(expenditure) for the period ended 31 March 2022	549,848	(3,759)	529,415	(2,520)
Adjustments for:				
- Depreciation and amortisation charges	101,957	47,969	101,957	47,969
- Dividends, interest and rents from investments	(24,284)	(7,964)	(24,284)	(7,964)
- Decrease/(Increase) in stocks	(11,101)	3,132	(11,101)	3,132
- Decrease/(Increase) in debtors	9,196	(39,805)	16,570	(39,805)
- (Decrease)/Increase in creditors	(608)	(10,521)	1,767	(10,697)
Net cash (used)/provided by operating activities	<u>625,008</u>	<u>(10,948)</u>	<u>614,324</u>	<u>(9,885)</u>

Note 2 - Analysis of cash and cash equivalents

	2022 £	2021 £	2022 £	2021 £	Change in period £
Cash in hand	<u>53,782</u>	<u>106,864</u>	<u>39,623</u>	<u>103,389</u>	<u>(53,082)</u>
Total cash and cash equivalents	<u><u>53,782</u></u>	<u><u>106,864</u></u>	<u><u>39,623</u></u>	<u><u>103,389</u></u>	<u><u>(53,082)</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) (effective 1 January 2019), the Charities Act 2011 and UK Generally Accepted Practice.

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 £21,334. Details of other government assistance received during the period are included within note 2. 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 6.

(f) Intangible fixed assets

Goodwill represents the excess cost of acquisition of unincorporated businesses over fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill shall be considered to have a finite useful life and shall be amortised on a systemic basis over its life of 5 years.

(g) 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.

(g) 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.

(h) 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.

(i) 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.

(j) Investments

Investments in subsidiaries are measured at cost less impairment.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

(p) 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.

(q) Leases

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

(r) 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.

(s) 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.

(t) 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.

(u) 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.

(v) 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.

(w) 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 and grants

	2022 £	2021 £
Restricted funds:		
Vodafone Foundation	120,000	60,000
Arts Council of England	113,934	40,122
UK Community Renewal Fund	20,000	-
COVID-19 funding		
- Arts Council England - Recovery Grant	16,400	147,600
- Arts Council England - Emergency Response Fund	-	3,500
- Clore Cultural Learning Fund	-	12,500
Pilgrim Trust	9,312	-
Cornwall Council	6,142	-
Grants from various sources listed below	3,738	2,001
Subsea Environmental Services	-	10,074
Esme Fairbairn Collections Fund - wAVE Project	-	6,443
	<u>289,526</u>	<u>282,240</u>

Donations from various sources include Esme Fairbairn Collections Fund - Audio Archive Project, Cornwall AONB Trust, defibrillator funding from Community Chest and Cornwall Community Foundation.

Included with unrestricted donations are the following:-

- Wilshaw Benevolent Trust - a donation of £886,719 was received on the dissolution of the charity.

Included with unrestricted grants are the following government grants:

- HMRC - grants have been received totalling £16,483 (2021: £38,338) to help with furloughed staff whilst in a nationwide lockdown due to COVID-19.
- Cornwall Council - grants have been received totalling £21,334 (2021: £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

	2022 £	2021 £
Other expenses	1,849	336
	<u>1,849</u>	<u>336</u>

4 Support and governance costs

	2022 £	2021 £
Staff costs	72,671	30,846
Premises and running expenses	327,251	116,684
Audit and accountancy	9,550	6,000
	<u>409,472</u>	<u>153,530</u>

5 Staff costs

	2022 £	2021 £
Salaries and wages	456,370	206,351
Social Security	26,240	13,297
Pensions	11,316	4,419
	<u>493,926</u>	<u>224,067</u>
Average monthly headcount was	<u>31.0</u>	<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 Head of Communications & Development. The total employee benefits of the key management personnel of the charity were £184,287 (2021: £81,562) for year.

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

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

6 Charitable expenditure

Activity	Funded expenditure	Support and governance costs (see 1(e))	Total 2022	Total 2021
	£	£	£	£
Archive & Museum	227,579	112,050	339,629	142,866
Gift shop and café	-	188,907	188,907	48,340
Learning & participation	85,309	108,515	193,824	96,209
Maintenance	26,046	-	26,046	28,511
	<u>338,934</u>	<u>409,472</u>	<u>748,406</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 Intangible fixed assets

	Goodwill Exiles Club	Goodwill Telegraph Cottage	Total
Cost or valuation	£	£	£
At 31 March 2021	-	-	-
Additions	20,000	10,000	30,000
Disposal	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2022	20,000	10,000	30,000
	<hr/>	<hr/>	<hr/>
Amortisation			
At 31 March 2021	-	-	-
Charge for period	3,333	1,667	5,000
Amortisation on disposal	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2022	3,333	1,667	5,000
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2022	16,667	8,333	25,000
	<hr/>	<hr/>	<hr/>
At 31 March 2021	-	-	-
	<hr/>	<hr/>	<hr/>

Goodwill is being amortised on a straight-line basis over its estimated useful life of 5 years.

9 Tangible fixed assets

	Freehold land & buildings	Permanent exhibitions	Fixtures, fittings & equipment	Total
Cost or valuation	£	£	£	£
At 31 March 2021	5,163,461	745,504	257,373	6,166,338
Additions	511,235	-	15,539	526,774
Disposal	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	5,674,696	745,504	272,912	6,693,112
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 31 March 2021	1,386,974	220,702	228,884	1,836,560
Charge for period	48,912	37,275	10,770	96,957
Depn on disposal	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	1,435,886	257,977	239,654	1,933,517
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2022	4,238,810	487,527	33,258	4,759,595
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	3,776,487	524,802	28,489	4,329,778
	<hr/>	<hr/>	<hr/>	<hr/>

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:

	2022	2021
	£	£
Cost	4,174,695	3,663,460
Accumulated depreciation	(1,435,886)	(1,386,974)
Net book value	<u>2,738,809</u>	<u>2,276,486</u>

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.

10 Shares in subsidiary undertaking

	Issued Share Capital	Ownership
Porthcurno Enterprises Limited	£10	100%

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 profit/(loss) before tax for the period ended 31 March 2022 was £20,433 (2021: (£1,239)) and the value of the equity and reserves at 31 March 2022 was £19,057 (2021: £(1,376)).

11 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.

12 Debtors	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	36,293	44,171	36,293	44,171
Amounts owed by group undertakings	-	-	-	5,240
Other debtors	13,442	20,391	6,900	15,613
Prepayments and accrued income	33,375	27,744	33,005	27,744
	83,110	92,306	76,198	92,768
13 Creditors: amounts falling due within one year	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	12,564	6,126	12,564	6,126
Other creditors including taxation	11,708	9,625	11,708	7,642
Accruals	14,527	24,568	12,513	22,162
Deferred income	4,065	3,153	4,065	3,153
	42,864	43,472	40,850	39,083

14 Analysis of charitable funds - year ended 31 March 2022 - Group

	At 31 March 2021	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2022
Restricted funds	£	£	£			£
- Heritage Lottery Fund	1,075,990	-	40,748	(2,594)	-	1,032,648
- Vodafone Foundation	-	120,000	120,000	-	-	-
- Cornwall Council Culture Team	117,226	-	4,450	-	-	112,776
- DCMS/Wolfson Fund	284,875	-	13,175	-	-	271,700
- Clore Duffield Foundation	97,690	-	3,708	-	-	93,982
- Wilshaw Benevolent Trust	242,898	-	8,900	(8,445)	-	225,553
- Other funds	630,071	169,526	244,910	27,241	-	581,928
- Total restricted income funds	<u>2,448,750</u>	<u>289,526</u>	<u>435,891</u>	<u>16,202</u>	<u>-</u>	<u>2,318,587</u>
Unrestricted funds:						
- Unrestricted income funds	47,776	1,180,527	484,314	(16,202)	-	727,787
- PK Contingency Investment portfolio	341,879	-	-	-	(33,092)	308,787
- Revaluation reserve	1,500,000	-	-	-	-	1,500,000
- Investment property revaluation reserve	500,000	-	-	-	-	500,000
- Total unrestricted funds	<u>2,389,655</u>	<u>1,180,527</u>	<u>484,314</u>	<u>(16,202)</u>	<u>(33,092)</u>	<u>3,036,574</u>
	<u><u>4,838,405</u></u>	<u><u>1,470,053</u></u>	<u><u>920,205</u></u>	<u><u>-</u></u>	<u><u>(33,092)</u></u>	<u><u>5,355,161</u></u>

Analysis of charitable funds - period ended 31 March 2022 - Charity only

	At 31 March 2021	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2022
Restricted funds	£	£	£			£
- Heritage Lottery Fund	1,075,990	-	40,748	(2,594)	-	1,032,648
- Vodafone Foundation	-	120,000	120,000	-	-	-
- Cornwall Council Culture Team	117,226	-	4,450	-	-	112,776
- DCMS/Wolfson Fund	284,875	-	13,175	-	-	271,700
- Clore Duffield Foundation	97,690	-	3,708	-	-	93,982
- Wilshaw Benevolent Trust	242,898	-	8,900	(8,445)	-	225,553
- Other funds	630,071	169,526	244,910	27,241	-	581,928
- Total restricted income funds	<u>2,448,750</u>	<u>289,526</u>	<u>435,891</u>	<u>16,202</u>	<u>-</u>	<u>2,318,587</u>
Unrestricted funds:						
- Unrestricted income funds	49,152	1,154,358	478,578	(16,202)	-	708,730
- PK Contingency Investment portfolio	341,879	-	-	-	(33,092)	308,787
- 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	<u>2,391,041</u>	<u>1,154,358</u>	<u>478,578</u>	<u>(16,202)</u>	<u>(33,092)</u>	<u>3,017,527</u>
	<u><u>4,839,791</u></u>	<u><u>1,443,884</u></u>	<u><u>914,469</u></u>	<u><u>-</u></u>	<u><u>(33,092)</u></u>	<u><u>5,336,114</u></u>

Analysis of charitable funds - period ended 31 March 2021 - Group

	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	<u>2,454,850</u>	<u>282,240</u>	<u>210,365</u>	<u>(77,975)</u>	<u>-</u>	<u>2,448,750</u>
Unrestricted funds:						
- Unrestricted income funds	45,435	93,284	168,918	77,975	-	47,776
- 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
- Total unrestricted funds	<u>2,370,763</u>	<u>93,284</u>	<u>168,918</u>	<u>77,975</u>	<u>16,551</u>	<u>2,389,655</u>
	<u>4,825,613</u>	<u>375,524</u>	<u>379,283</u>	<u>-</u>	<u>16,551</u>	<u>4,838,405</u>

Analysis of charitable funds - period ended 31 March 2021 - Charity only

	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	<u>2,454,850</u>	<u>282,240</u>	<u>210,365</u>	<u>(77,975)</u>	<u>-</u>	<u>2,448,750</u>
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	<u>2,370,910</u>	<u>93,284</u>	<u>167,679</u>	<u>77,975</u>	<u>16,551</u>	<u>2,391,041</u>
	<u>4,825,760</u>	<u>375,524</u>	<u>378,044</u>	<u>-</u>	<u>16,551</u>	<u>4,839,791</u>

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.

15 Lease commitments

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

	Other	
	2022	2021
	£	£
Expiry date:		
- Within one year	1,789	4,490
- Between two and five years	1,711	3,501
	<u>3,500</u>	<u>7,991</u>

16 Related party transactions

Spouse of the CEO & Creative Director. Transactions totalling £585 (2021: £3,505) took place during the year in relation to exhibition research and curation. There were nil amounts outstanding as at 31 March 2022 (2021: £nil).

Three children of the CEO & Creative Director. Transactions totalling £22,067 (2021: £4,487) relating to employment (including employer's pension contributions and expenses) took place during the year. There were nil amounts outstanding as at 31 March 2022 (2021: £nil).

Porthcurno Enterprises Ltd - wholly owned subsidiary of the charity. As at 31 March 2022 the company owed £nil to the CIO (2021: £5,240).