

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

**TRUSTEES' ANNUAL REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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

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**Hampshire Cultural Trust**  
**Company number: 08986225**

**Trustees' Annual Report**

**Reference and Administrative Details**

Company registered number	08986225
Charity registered number Registered	1158583
office and principal address	Chilcomb House, Chilcomb Lane, Winchester SO23 8RD
Contact number	01962 678140
Website	<a href="http://www.hampshireculture.org.uk">www.hampshireculture.org.uk</a>
Directors and Trustees	Alan Lovell (Chairman) Emma Back (appointed 14 April 2019) Rachel Bebb Anna Blackman (appointed 25 September 2020) Robert Boyle Peter Cardy (appointed 14 April 2019) Yinnon Ezra Paula Ferguson (appointed 25 September 2020) Tracy Osborn (resigned 12 April 2019) Roy Perry Michael Southgate Helene West (appointed 25 September 2020) James Winkworth (appointed 14 April 2019)
Chief Executive	Paul Sapwell
Auditors	Azets Audit Services Carnac Place, Cams Hall Estate, Fareham PO16 8UY
Principal Bankers	Natwest Bank 105 High Street, Winchester SO23 9AW
Solicitors	Paris Smith LLP 11 London Road, Southampton SO15 2AE Trethowans LLP The Pavillion, Botleigh Grange Business Park, Hedge End, Southampton SO30 2AF

**Hampshire Cultural Trust**  
**Company number: 08986225**

## **Trustees' Annual Report**

The Trustees are pleased to present their annual report, together with the consolidated financial statements of Hampshire Cultural Trust ("the Trust") and its one subsidiary, Hampshire Cultural Trust Trading Limited ("the Trading Company"), for the year ending 31 March 2020.

The Trustees are also Directors of the charity for the purposes of the Companies Act. The Trustees' annual report and consolidated financial statements together meet the requirements for a Directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association for a Charitable Company (the Trust's governing documents), and 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 (FRS102) (effective 1 January 2015).

## **Chairman's report**

2019-20 was a remarkable year for Hampshire Cultural Trust. Our financial performance was strong: we achieved a healthy surplus of £293,179. The end of the year was sadly overshadowed by the coronavirus pandemic and the resultant closure of all of our venues. The direct impact of this enormous challenge both to society as a whole and to our organisation will be significant and long lasting. I am extremely proud of the whole team at the Trust and hugely grateful for their positive and innovative response to the crisis.

But, despite its challenging conclusion, 2019-20 was still one of our most successful years to date. It marks a watershed moment when, for the first time, our earned and voluntary income has exceeded funding from local authorities. This financial success was driven by two key factors: notable fundraising achievements and earned income from our busiest venue, Milestones Museum, Basingstoke, which consistently delivered an exciting and ever-expanding events programme during the year. As it now approaches its twentieth anniversary, we have invested in the refurbishment of the museum's entrance, retail area and café, delivering a vast improvement to the customer experience.

Further investment this year enabled the redesign of the first-floor gallery in Winchester City Museum. Renamed the Gallery of 1000 Years, the refurbished and newly interpreted space tells the story of medieval Winchester with new artefacts including a partially reconstructed arch from Hyde Abbey. We also completed the installation of an outdoor activity area at Aldershot Military Museum, which re-opened to the public in July 2020.

During the year, we hosted a variety of wonderful exhibitions, including the UK premiere of *Michelangelo's Sistine Chapel: A Different View*. Officially licensed by the Vatican Museums, this was the Trust's first ticketed temporary exhibition, generating a small surplus and welcoming more than 8,000 visitors to The Gallery at Winchester Discovery Centre. We also brought *Orla Kiely: A Life in Pattern*, the *BP Portrait Award 2018*, *Lucienne Day: Living Design* and *International Garden Photographer of the Year* to our galleries, to name but a few.

I was thrilled that our ambition to improve the cultural offer in Gosport came a step further to fruition through our partnership with Gosport Borough Council and a successful application to Historic England for the town to become one of the 69 High Streets Heritage Action Zones in the UK. This funding will secure investment of £1.8 million to regenerate its centre, including up to £467,500 to redevelop our existing venue, Gosport Old Grammar School, into Gosport Museum and Art Gallery. With this funding, as well as our own investment and generous donations, we can now realise our vision to turn Gosport into a place where the town's people and visitors can come together to enjoy and celebrate the arts, education, heritage and culture.

Our targeted work aimed at delivering social change covered the breadth of Hampshire, with a total of 18 programmes, working with 82 partners and 2,000 participants. This is vital work which plays such an important role in helping to change the lives of the most vulnerable in our society and is an area that we consider of paramount importance as we start to develop our social prescribing programmes.

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Equally important is the development and support of our people. This was demonstrated through the roll-out of a trust-wide learning and development programme for staff and volunteers, as well as the introduction of a dedicated, secure online platform where our teams can connect, communicate and collaborate.

2020-21 will be a much tougher year. However, I am confident that with our excellent team of staff and volunteers and the continued support of our funders, donors and visitors, we will navigate our way through the turbulent times ahead. I would like to thank everyone connected with Hampshire Cultural Trust for supporting our work during 2019-20. I hope you enjoy this review, which gives just a brief overview of our activity over the last 12 months and summarises our plans for the year ahead.

**Alan Lovell**  
**Chairman**

## **Chief Executive's report**

As a charity, Hampshire Cultural Trust has one, overriding purpose: to change lives through culture. Since our launch in 2014, our vision has been to create inspirational cultural experiences in Hampshire that enrich and transform lives. Our organisational goals have consistently focussed on social impact, the quality of our offer, achieving financial resilience and our people.

2019-20 was to have seen the launch of our updated five-year strategic plan. However, the coronavirus pandemic has had a huge and unforeseeable impact on our organisation, compelling us to adapt our strategy to deal with the closure of our venues and a drastically altered social and economic environment. This has affected the fundraising landscape, and with social distancing in our venues and therefore reduced visitor capacity, our ability to generate earned income.

Although the publication of our five-year plan has now been delayed to 2020-21, our strategic intent remains the same and we stand true to our vision. Our ambition is to place culture at the heart of social and economic change in Hampshire. We are more determined than ever to demonstrate the positive impact that our programmes, projects and partnerships have on people's wellbeing, health and happiness. Our priorities are to bring about positive social change through our cultural provision and to serve the communities of which we are part.

We will continue to work towards achieving our ambition and priorities through our updated strategic goals, which are:

- To provide high-quality programmes and venues that engage diverse audiences and inspire local pride
- To improve wellbeing, health and happiness through cultural experiences
- To deliver a sustainable future for culture in Hampshire, contributing to the local economy and building stronger communities
- To create fulfilling employment and volunteering opportunities through culture

2020-21 will see careful planning for the re-opening of our venues, where we will take every possible precaution to keep our customers, staff and volunteers safe. We will explore ways to help Hampshire get back on its feet, to engage

**Trustees' Annual Report**

those disadvantaged and vulnerable groups severely impacted by the coronavirus crisis and to re-connect communities through our innovative, creative and dynamic cultural offer.

**Paul Sapwell**  
**Chief Executive**

**Purpose and charitable objectives**

The Trust's charitable objectives are set out in its governing documents and summarised as follows:

- a) To promote, maintain and improve the public's understanding and appreciation of the arts, including by:
  - i. Establishing and maintaining museums and art galleries;
  - ii. Providing community arts centres and community arts programmes; and
- b) To advance the education of the public in the history and heritage of Hampshire and the wider area of the South of England, including by:
  - i. Acquiring, preserving and exhibiting land and buildings of beauty or historical interest with a view to educating the public in their significance in the heritage of the nation and the local area; and
  - ii. Preserving furniture, pieces and chattels of any description having national and local historical or artistic interest with a view to educating the public in their significance in the heritage of the nation and the local area.

**Objectives and activities**

- Operation of 18 museums across Hampshire and East Dorset, providing access to local history for residents and visitors
- Working in partnership with external organisations to deliver community museum services at three further venues in Hampshire
- Operation of three arts centres in Hampshire, bringing high-quality performing arts to local communities
- Delivery of a flagship gallery programme, bringing major exhibitions to three government indemnified galleries in Winchester, Basingstoke and Gosport
- Delivery of engaging cultural programmes for young people; Wessex Dance Academy works with the most vulnerable young people using contemporary dance and *Horizon 20:20* engages young people in non-mainstream education settings using a variety of cultural activity
- Delivery of a schools and adult education programme, creating learning opportunities inspired by local history, artists and creatives
- Care for and stewardship of over 2.5 million objects relating to Hampshire's cultural heritage

### **Trustees' Annual Report**

- Operation of Hampshire Wardrobe, which provides costume and loans materials for schools and other local users to support history and the arts
- Hosting of museum development advice for the wider museums sector in Hampshire, Berkshire and the Isle of Wight area via the Arts Council England funded South East Museum Development programme

The Trust has a wholly owned trading subsidiary that undertakes retail, catering and related activities.

The Trust employs more than 100 staff (full time equivalent) and relies on the support of approximately 400 volunteers across Hampshire and East Dorset. Volunteers provide a customer welcome and support at the venues, bring their expertise and enthusiasm to the collections and exhibitions.

### **Public benefit**

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance issued by the Charity Commission. The Trustees have taken account of such guidance when reviewing the charity's aims and objectives, and in planning future activities.

The Trustees recognise the two principles of public benefit and consider that the Trust meets them, as set out below.

1. *There must be an identifiable benefit and it must be clear, related to the aims of the Trust and balanced against any detriment or harm.*

The objects of the Trust are to promote, maintain and improve public understanding and appreciation of the arts and to advance public education in the history and heritage of Hampshire and the wider south of England. The Trust is a main provider of museums, art galleries and community arts services across Hampshire, and provides stewardship of the county's primary museum artefact collection, which is a major resource in understanding the history of the area.

2. *The benefit must be to the public or a section of the public; the beneficiaries must be appropriate to the aims and, if to a section of the public, must not be unreasonably restricted; and that those in poverty must not be excluded from the opportunity to benefit.*

The Trust encourages all within our communities to take part in our activities and attend our events. However, the Trust relies on income from admissions, donations and fees to contribute towards its operating costs. Our pricing and charges reflect a need to support affordability and accessibility to our programmes, exhibitions and events whilst ensuring that the Trust remains financially sustainable. We provide some programmes specifically for local schools, and those that are disadvantaged or who would not normally have access to arts and culture. The majority of our venues provide free admission, and those that do charge provide opportunities for concession or 'no charge' arrangements through our outreach programmes.

### **Achievements and performance**

The coronavirus pandemic forced the closure of our venues to the public on 18 March 2020. Because of this, the year 2019-20 was cut short in terms of trading performance. However, despite having venues closed, the Trust achieved income growth of 18% compared to the previous full year. We welcomed 12,000 more visitors than in 2018-19 and had trading continued to the end of March, the Trust would have exceeded target.

## **Trustees' Annual Report**

The Trust's achievements and performance are explained in relation to our strategic goals.

### **1) To provide high-quality programmes and venues that engage diverse audiences and inspire local pride**

The year saw a wide variety of exhibitions and events across the county as well as investment in refurbishment, and improvement at three of our venues, Milestones Museum, Winchester City Museum and Aldershot Military Museum.

The Trust has directly engaged with a total of 717,911 people, an increase of 0.4% on last year, of which 529,318 visited our managed museum venues and art centres including non-paying and paying visitors to our art centres. 188,593 people visited venues that the Trust supports in partnership. 20,048 school children enjoyed a wide range of programmes at our venues of which 9,593 enjoyed activities at Milestones Museum alone.

We accessioned 70 new objects, or groups of objects, into the collections, covering over 2,000 years of Hampshire's history and answered 838 public enquiries about our collections.

Our PR programme secured 800 pieces of positive coverage with a reach of 53 million people and an Advertising Value Equivalence of £1.34 million across broadcast, print and online media.

TV coverage included: BBC South, ITV Meridian, The Times, The Telegraph, Country Life and Waitrose Weekend. Our total digital engagement, which includes a combination of website sessions and social media impressions, was 9.5 million, representing a growth of 59% in comparison to the previous year.

### **2) To improve wellbeing, health and happiness through cultural experiences**

In 2019-20 we ran 18 targeted social impact programmes working with 82 partners and over 2000 participants. This work covered the breadth of Hampshire, on a local level with veterans in Aldershot, community organisations in Andover and care homes in Christchurch, and also at county level through the continuation of our work in the areas of health, wellbeing and criminal justice.

Partners included:

- HMP/YOI Winchester
- Hampshire Child and Adolescent Mental Health Services
- Combat Stress
- Surrey and Borders Partnership Recovery College
- Stop Domestic Abuse
- Southern Health
- Winchester School of Art
- John Hansard Gallery

The Trust developed new best-practice Community Engagement and Outcomes Measurement frameworks. These frameworks are designed to measure the impact and effectiveness of our targeted work through a number of qualitative and quantitative measures. The frameworks are being piloted through a series of projects and will be launched across the organisation in 2020-21. This work is part of the *Culture: Impact* project, funded by the National Lottery Heritage Fund.



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

The Trust entered 2019-20 with a new five-year fundraising strategy focused on priority areas for securing investment. Within the year we have secured £935,034 in grants and donations against a target of £750,000. Our success rate for funding applications was 52%, above industry average. With the addition of venue donations, a total of £792,195 in fundraised income was secured.

We successfully partnered with Gosport Borough Council on an application to Historic England for Gosport to become one of 69 High Streets Heritage Action Zones in the UK. This funding will secure investment of up to £1.8 million to regenerate the town centre, including up to £467,500 to develop Gosport Old Grammar School into Gosport Museum and Art Gallery. The Friends of Gosport Museum donated £50,000 to the project in memory of founding member, Margaret Roberts.

Grants for community engagement and social impact projects included £61,799 for *On the Move!* (Museums Association, Esmée Fairbairn Collections Fund), £18,100 for The Resilience Garden at Aldershot Military Museum (MOD Covenant Fund), £34,200 for *Industrious Minds* in Eastleigh (National Lottery Heritage Fund), and £28,220 for *Connecting Conversations* in Rushmoor.

Successful venue-based fundraising included the assault course at Aldershot Military Museum, while Forest Arts Centre raised over £4,000 for their regular Parkinson's Dance Class. Our first community crowdfunding campaign – for the Childhood Gallery at the Curtis Museum, Alton – raised over £10,000, with support from volunteers, the Friends of the Curtis Museum and Allen Gallery, and the local community.

### **4) To create fulfilling employment and volunteering opportunities through culture**

Our people initiatives have progressed over the year with the implementation of a learning and development programme, an e-learning platform and a volunteer engagement plan. Our volunteers have generously contributed 37,834 hours of their time during the year. We were pleased to introduce a package of enhancements to our employee benefits scheme including life assurance, additional holiday allowance, a health cash plan, a cycle to work scheme and access to an employee helpline, offering legal, health and counselling support.

The Trust's annual staff and volunteer event, *The Big Get Together*, was postponed due to the coronavirus crisis. This event was to have seen the launch of our newly developed value framework designed to support our vision, shape our culture and define how our teams interact with our audiences and each other. They are: Confidence, Creativity, Excellence, Responsibility, Teamwork and Respect.

## **Our supporters**

Hampshire Cultural Trust is very grateful to all of our supporters who have contributed to our activities during the year. This includes a number of other Trusts, Foundations and statutory bodies in addition to a number of individual donors and friends groups.

## **Financial review**

The Trust's venues closed to the public on 18 March 2020 due to the coronavirus pandemic. The year-end position was affected due to lost revenue following the closure in the final two weeks of the financial year, both in terms of a reduction in admission income and also in trading income. Despite this unexpected closure, income from charitable activities has increased from £1,397,650 to £1,645,581, this is an 18% increase in comparison to the prior year.

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Increased admissions income has been driven by an expanded event programme and subsequent improved performance at Milestones Museum.

Despite the increase in visitor numbers, trading activities have remained flat and have struggled to meet budgeted levels. To mitigate this in future years, the Board has invested in the redevelopment of the retail and catering areas in Milestones Museum, and plan to continue to invest in our venues.

Hampshire Cultural Trust Trading Limited achieved a profit for the year of £336,317. The available taxable profits of the Trading Company will be Gift Aided to the Trust during the next financial year.

The principal source of funding remains with our founding members Hampshire County Council and Winchester City Council, contributing 41% to income (43% in 2018-19). Other local authority income has also decreased by 6% in comparison to the prior year.

Other grant funding largely relates to funded projects and has increased in comparison to the prior year. The increase directly relates to the timing of the related activities. Information on the projects can be read in note 17 to the financial statements.

The Trust has seen a decrease in donations of 21% in 2019-20 compared to 2018-19. There has been a noticeable reduction in cash donations, which has been seen across the charitable sector. The Board has mitigated this by introducing cashless donation units across the Trust in 2020-21. The Board has also agreed to invest in income generation through the recruitment of an Individual Giving Manager. This role will focus on increasing philanthropic gifts and donations.

This year, the Board approved the use of accumulated reserves for capital investment projects across our venues. During 2019-20 we have invested in The Gallery of 1000 Years at Winchester City Museum, the redevelopment of the retail and catering areas at Milestones Museum and the outdoor activity area at Aldershot Military Museum along with investment in feasibility studies for the Allen Gallery and Gosport Old Grammar School development projects, a total capital investment in excess of £300,000.

The Trust achieved a consolidated surplus for the year to 31 March 2020 of £293,179 (2019: £205,037). The Trust's total reserves at 31 March 2020 were £1,926,803 (2019: £1,633,624).

Due to the surplus achieved in the year, our closing cash position has increased to £1,832,115 (2019: £1,521,540) an increase of £310,575. The increase in cash in the year is derived from the net cash flow from operating activities of £633,121 less investment in assets made in the year of £334,441.

Unrestricted net assets are £1,470,305 (2019: £1,271,953), £1,241,249 is held as net current assets and available for immediate use as free cash reserves.

The Trustees consider that the Trust and its trading subsidiary continue to be a going concern.

Committed funds from our founding local authorities through to 31 March 2023 provides reassurance as to the basis of going concern, even through this time of difficult trading. Management have produced cashflow forecasts for these periods which demonstrate that there are adequate reserves to continue to operate for the foreseeable future, and at least 12 months from the date of this report.

The Trustees are pleased to report that with income committed from core funders and trading income on re-opening, our reserves remain sufficient to support activities going forward.

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### **Reserves Policy**

The Trust holds reserves primarily to protect itself from the impact of unexpected variations in income and expenditure. Significant variations in income may arise, for example, from a major incident at the Trust's main income-generating venue, or through delays in receipt of project grants, or another pandemic. In addition, an incident such as a fire may result in additional costs being incurred, which the Trust may have to finance from its own funds before any recovery from third parties.

The Trustees have reviewed the Trust's reserves policy to reflect the maturity of the Trust. Under the reserves policy:

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

Under this policy the Trustees consider an appropriate level of reserves to be approximately £1,000,000 in line with Charity Commission guidance. As at 31 March 2020, the Trust's total unrestricted funds were £1,470,305, which after deduction for amounts invested in fixed assets (£229,057) equates to reserves of £1,241,248. £456,498 restricted reserves of which £50,774 relates to restricted tangible fixed assets. As above, the free cash reserves are £1,241,249, the accumulation of this level of reserves reflects the prudent financial management of the Trust and has protected the Trust from the effects of closure due to coronavirus. This has enabled the Trust to adapt and respond to the current coronavirus pandemic at the time of lockdown, and continue to invest for the future.

The Trust is continuing to invest in its portfolio, its infrastructure and its people. These investments will continue to enhance the revenue generation of the venues and activities of the Trust; ensure a more diverse and resilient portfolio of funding sources; and maintain the level of reserves in line with the Trust's reserves policy. During the year, the Trustees have agreed to designate some of the unrestricted funds for projects as shown in note 17 to the financial statements. A total of £330,000 funds are designated for committed projects, leaving unrestricted funds available for the core operating activities. The designated funds at 31 March 2020 relate to future income generating projects and investment in the re-opening of the venues post lockdown.

The Trust's reserves policy will continue to be reviewed on an annual basis.

### **Principal Risks**

The Trust continues to develop its framework for risk management. Risk management is focused on identifying significant risks, which are inherent within the Trust's activities, structure, and funding; and mitigating the potential impact of these risks through the Trust's operating and investment programme, management actions, and conventional risk mitigation such as insurance. A full risk register is regularly reviewed and discussed by the Executive

### **Trustees' Annual Report**

Leadership Team and with the Finance, Investment and Audit Committee. An abridged risk register is reviewed by the Board on an annual basis.

The principal strategic, financial and operational risks which are inherent in the Trust's activities, structure and funding relate to the impact of:

- Reductions in the level of ongoing funding from local authorities, and the Trust's ability to secure adequate and sustainable alternative sources of funding
- Failure to control costs leading to lack of cash or inability to support operational needs
- Inadequate safeguarding arrangements leading to young/ vulnerable persons being harmed while taking part in HCT Programmes
- Impact of unexpected variations of income and expenditure, such as fire, flood, global health pandemic or other significant event

These risks are mitigated or managed through the design and implementation of the Trust's work programme. For 2019-20 this included:

- The delivery of an ambitious programme of events, activities and projects which included active strategic and operational engagement and partnership-working with local authority representatives at both operational and financial levels
- A substantial improvement in operations and financial management. Together these enabled the Trust to deliver its operational programme within the approved financial budget, whilst maintaining the planned level of reserves
- Ongoing development of staff and employment policies to meet current requirements and best practices
- Safeguarding policies were reviewed and issued, DBS checks for all staff involved in regulated, unsupervised activity as highlighted in the safer recruitment policy
- Holding the appropriate level of reserves as detailed in the reserves policy
- Further developments of the operational risk register with a wider scope and more frequent monitoring

The Trust will continue to develop its risk management framework and regularly review its related policies and procedures.

### **Future plans**

The Trust will begin to re-open its venues following the easing of lockdown restrictions required during the coronavirus crisis. The exhibition and events programme will be adjusted and adapted to cater for social distancing measures and audience demand. Necessary adjustments will also be made to our retail, café and bar offer. Despite this fast moving and challenging environment, we are committed to delivering our strategic goals.

The Trust's exhibitions schedule for 2020-21 will continue to deliver a vibrant programme of touring and self-curated exhibitions as well as long-term future revenue opportunities. The Board has committed to investment in the new attraction, Mr Simpson's Teddy Bear Museum at Milestones Museum, and the remodelling of the popular vintage Penny Arcade, celebrating the history of Hampshire's piers.

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Our three arts centres will renew their focus on working with Hampshire communities to create a diverse programme that is relevant and meets their needs.

We will see developments across our Community Museums with the opening of an outdoor assault course at Aldershot Military museum and the creation of a community garden in the museum grounds. The Resilience Garden project will engage men from both the Armed Forces and civilian communities to design, create and maintain a much-needed outdoor community space.

2020-21 will see the further development of many of our social impact programmes. We will develop our social prescribing programmes with both adults and young people, working countywide to offer cultural engagement for those with mental health needs. This will be managed with partners from across the health sector.

The Trust will introduce admission charges at the Westgate Museum and Winchester City Museum, alongside a varied programme to ensure maximum value for our audiences.

The fundraising climate has changed as a result of the coronavirus pandemic. In response to this, the Trust has developed an interim fundraising strategy, in addition to its longer-term plan. Key themes for investment will include:

- Connecting communities through culture
- Supporting Hampshire to get back on its feet, aiding regeneration
- Working with disadvantaged and vulnerable groups who have been impacted by the coronavirus crisis

To deliver this strategy, we will increase our fundraising presence on-line and in venues, with a shared message across the Trust, as well as continuing to seek investment from our core income sources.

We are committed to reducing our environmental impact and will develop a strategy outlining how we can play a role in tackling climate change.

We look forward to the redevelopment of our Gosport venue, which will close at the end of 2020-21 for capital works to commence.

### **Structure, governance and management**

Hampshire Cultural Trust was founded jointly by Hampshire County Council (HCC) and Winchester City Council (WCC) and is incorporated as a company limited by guarantee and is registered with the Charities Commission.

The Trust is governed in accordance with its Articles of Association for a Charitable Company (the Articles of Association were last amended by a special resolution on 11 July 2014). Copies can be obtained from the Trust's registered address.

The Trustees' liability is limited by guarantee. The Trust pays for indemnity insurance on behalf of the Trustees.

The Trust has one wholly-owned trading subsidiary, Hampshire Cultural Trust Trading Limited ("the Trading Company"). The objective of the Trading Company is to generate income to support the charitable objectives of the Trust. It carries out commercial activities that complement the charitable objectives of the Trust. The Trading Company will pay an amount equal to its distributable reserves each year to the Trust under the Gift Aid scheme.

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## **Trustees' Annual Report**

### **Appointment of Trustees**

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

The Trustee recruitment, selection and induction process is in line with the Charity Commission document, Trustee recruitment, selection and induction (RS1). This is issued to all Trustees as a matter of course.

### **Management and decision making**

The Board of Trustees is the strategic decision-making body of the charity, and is responsible for ensuring the charity's objectives are achieved and its plans are implemented. Day to day management of the Trust and the Trading Company is delegated to the Chief Executive in accordance with the Trust's Scheme of Delegation.

The Board meets generally six times per year to review strategy, operational plans and performance, and to endorse key management decisions. It is helped in its work by Trustee-led standing committees - the Finance, Investment and Audit Committee, and the HR and Remuneration Committee.

### **Remuneration policies**

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

All members of the Board of Trustees are volunteers and have no beneficial interest in the charity or group. Any Trustee expenses reclaimed from the charity are set out in the notes to the financial statements.

### **Funds held as custodian Trustee on behalf of others**

In accordance with the Trust's governing document, the Management and Funding Agreements with both of our founding local authorities (Hampshire County Council and Winchester City Council), the Trust is the custodian of historic assets and properties on their behalf. These assets are held separately from those of the Trust and are recorded on Modes, a catalogue system. These are detailed in note 24 to the financial statements.

### **Fundraising standards information**

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

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### **Statement of Trustees' responsibilities**

The Board of Trustees (who are also Directors of Hampshire Cultural Trust for the purposes of company law) is responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with the requirements of 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 (Charities SORP FRS102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

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

- Select suitable accounting policies and then apply them consistently
- Observe the method and principles of the Charities SORP
- Make judgements and estimates on a reasonable and prudent basis
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in operation

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 2006 and the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditors**

So far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware. Trustees have taken all the steps necessary to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Small Companies Disclosure**

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

**Hampshire Cultural Trust**  
**Company number: 08986225**

**Trustees' Annual Report**

Approved by the Trustees and signed on their behalf by:

*Alan C Lovell*  
.....

**Alan Lovell**  
**Chairman**

Date: *25/09/2020*  
.....



**Independent Auditor's Report to the Members and Trustees of Hampshire Cultural Trust**

**Opinion**

We have audited the financial statements of Hampshire Cultural Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Trust Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2020, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**Other information**

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

### **Independent Auditor's Report to the Members and Trustees of Hampshire Cultural Trust**

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 13, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

**Hampshire Cultural Trust**  
**Company number: 08986225**

### **Independent Auditor's Report to the Members and Trustees of Hampshire Cultural Trust**

the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

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

#### **Use of our report**

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

*Azets Audit Services*

Zara Hogg FCA (Senior Statutory Auditor)  
For and on behalf of Azets Audit Services, Statutory Auditor  
Carnac Court  
Cams Hall Estate  
Fareham  
PO16 8UY

Date: *18 December 2020*

Azets Audit Services is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Total 2019 £
<b>Income from:</b>							
Grants and donations	2	3,440,802	669,424	4,110,226	3,556,799	624,827	4,181,626
Income from charitable activities	3	1,645,581	-	1,645,581	1,397,650	-	1,397,650
Income from other trading activities:							
- income of trading company	4	838,362	-	838,362	831,071	-	831,071
Investment income	5	11,897	-	11,897	11,550	-	11,550
Other income	6	273,967	527	274,494	309,473	-	309,473
<b>Total income</b>		<u>6,210,609</u>	<u>669,951</u>	<u>6,880,560</u>	<u>6,106,543</u>	<u>624,827</u>	<u>6,731,370</u>
<b>Expenditure on:</b>							
Cost of raising funds:							
Fundraising and publicity	7	156,346	-	156,346	147,824	-	147,824
Expenses of Trading Company	4	502,043	-	502,043	586,376	-	586,376
Expenditure on charitable activities	8	5,328,548	600,444	5,928,992	5,220,107	572,026	5,792,133
<b>Total expenditure</b>		<u>5,986,937</u>	<u>600,444</u>	<u>6,587,381</u>	<u>5,954,307</u>	<u>572,026</u>	<u>6,526,333</u>
<b>Net income / (expenditure)</b>		223,672	69,507	293,179	152,236	52,801	205,037
Transfer between funds		(25,320)	25,320	-	-	-	-
<b>Net movement in funds</b>		<u>198,352</u>	<u>94,827</u>	<u>293,179</u>	<u>152,236</u>	<u>52,801</u>	<u>205,037</u>
<b>Reconciliation of funds:</b>							
Total funds brought forward		<u>1,271,953</u>	<u>361,671</u>	<u>1,633,624</u>	<u>1,119,717</u>	<u>308,870</u>	<u>1,428,587</u>
<b>Total funds carried forward</b>		<u>1,470,305</u>	<u>456,498</u>	<u>1,926,803</u>	<u>1,271,953</u>	<u>361,671</u>	<u>1,633,624</u>

All recognised gains and losses are included in the statement of financial activities.

All transactions are derived from continuing activities.

Consolidated Balance Sheet  
as at 31 March 2020

	Notes	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Intangible assets	11		2		2
Tangible assets	12		<u>279,829</u>		<u>27,077</u>
			279,831		27,079
<b>Current assets</b>					
Stock	14	97,525		77,284	
Debtors	15	467,072		894,210	
Cash at bank and in hand		<u>1,832,115</u>		<u>1,521,540</u>	
		2,396,712		2,493,034	
<b>Creditors: amounts falling due within one year</b>	16	<u>(749,740)</u>		<u>(886,489)</u>	
<b>Net current assets</b>			<u>1,646,972</u>		<u>1,606,545</u>
<b>Net assets</b>	17		<u>1,926,803</u>		<u>1,633,624</u>
<b>Funds</b>					
Unrestricted funds:					
General unrestricted funds		1,140,305		1,271,953	
Designated funds	18	<u>330,000</u>		-	
			1,470,305		1,271,953
Restricted funds	18		<u>456,498</u>		<u>361,671</u>
<b>Total funds</b>			<u>1,926,803</u>		<u>1,633,624</u>

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

The financial statements were approved by the Board on 25/09/2020 and signed on its behalf by:



Alan Lovell  
Chairman  
On behalf of the Board of Trustees

The notes on pages 22 to 40 form an integral part of these financial statements

**Hampshire Cultural Trust**  
**Company number: 08986225**

**Trust Balance Sheet**  
**as at 31 March 2020**

	Notes	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Intangible assets	11		2		2
Tangible assets	12		176,185		11,219
Investments	13		<u>1,000</u>		<u>1,000</u>
			177,187		12,221
<b>Current assets</b>					
Stock	14	-		2,463	
Debtors	15	451,015		794,235	
Cash at bank and in hand		<u>1,779,159</u>		<u>1,445,905</u>	
		2,230,174		2,242,603	
<b>Creditors: amounts falling due within one year</b>	16	<u>(827,301)</u>		<u>(883,834)</u>	
<b>Net current assets</b>			<u>1,402,873</u>		<u>1,358,769</u>
<b>Net assets</b>	17		<u>1,580,060</u>		<u>1,370,990</u>
<b>Funds</b>					
Unrestricted funds:					
General unrestricted funds		793,562		1,009,319	
Designated funds	18	<u>330,000</u>		-	
			1,123,562		1,009,319
Restricted funds	18		<u>456,498</u>		<u>361,671</u>
<b>Total funds</b>			<u>1,580,060</u>		<u>1,370,990</u>

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

The financial statements were approved by the Board on 25/04/2020 and signed on its behalf by:



Alan Lovell  
Chairman  
On behalf of the Board of Trustees

The notes on pages 22 to 40 form an integral part of these financial statements

Consolidated cashflow statement  
for the year ended 31 March 2020

	Notes	Group 2020 £	Group 2019 £
<b>Cash flows from operating activities:</b>			
Net cashflow from operating activities		633,119	94,602
<b>Cash flows from investing activities</b>			
Bank interest received		11,897	11,551
Purchase of fixed assets		<u>(334,441)</u>	<u>-</u>
<b>Cash used in investing activities</b>		<u>(322,544)</u>	<u>11,551</u>
Increase/(decrease) in cash and cash equivalents in the year		<u>310,575</u>	<u>106,153</u>
Cash and cash equivalents at the beginning of the year		<u>1,521,540</u>	<u>1,415,387</u>
<b>Total cash and cash equivalents at the end of the year</b>		<u><u>1,832,115</u></u>	<u><u>1,521,540</u></u>

**Reconciliation of Changes in Resources to Net Cashflow From Operating Activities**

Net income for the year		293,179	205,037
Depreciation	12	81,689	42,111
Investment income and interest received	5	(11,897)	(11,550)
(Increase)/decrease in stock	14	(20,241)	6,177
(Increase)/decrease in debtors	15	427,138	2,531,161
Increase/(decrease) in creditors	16	<u>(136,749)</u>	<u>(2,678,334)</u>
<b>Net cashflow from operating activities</b>		<u><u>633,119</u></u>	<u><u>94,602</u></u>

**Notes to the financial statements**  
**for the year ended 31 March 2020**

**1 Accounting policies**

**1.1 Charity information**

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

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

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

**1.2 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016 and bulletin 2 published 5 October 2018), the financial reporting standard applicable in UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK generally accepted practice as it applies from 1 January 2015.

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

**1.3 Income**

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

Voluntary income and donations are accounted for on receipt.

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

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

Income from the sale of tickets for courses and tuition, performances and events are recognised in the period in which the event occurs. Associated booking fee income is recognised at the time of the booking.

Admissions and membership income is recognised on receipt.

Income from lettings and room hire is recognised on date of invoice and in advance of date of hire. Deposits are non refundable recognised on receipt.



**Notes to the financial statements**  
**for the year ended 31 March 2020**

**1.4 Grants receivable**

Revenue grants are accounted for on receipt, or where they are certain to be received.

**1.5 Expenditure**

Expenditure is recognised on an accruals basis, as a liability is incurred. Expenditure includes any VAT which is not fully recoverable.

**1.6 Basis of allocation**

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

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

**1.7 Tangible fixed assets**

Depreciation is provided on a straight line basis, at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	25%
Fixtures and fittings	25%
Leasehold improvements	10%
Computer equipment	33.3%

A full years' depreciation is charged in the year of acquisition.

**1.8 Stock**

Stock relates to items held for resale and is valued at the lower of cost and net realisable value.

**1.9 Funds**

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

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

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

Restricted funds for the purchase of fixed assets are credited to restricted income when receivable. Depreciation on the fixed assets purchased with such grants is charged against the related restricted fund.

**Notes to the financial statements**  
**for the year ended 31 March 2020**

**1.10 Leased assets**

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

**1.11 Financial instruments**

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments.

Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic Financial Assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Impairment of Financial Assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows, discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit and loss.

**Derecognition of Financial Assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**Notes to the financial statements**  
**for the year ended 31 March 2020**

**Classification of Financial Liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Trust after deducting all of its liabilities.

**Basic Financial Liabilities**

Basic financial liabilities including creditors, that are classified as debt, are initially recognised at transactions price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**Derecognition of Financial Liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**1.12 Termination benefits**

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

**1.13 Pension costs**

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

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

The Commercial Transfer Agreement (CTA) between Hampshire County Council and Hampshire Cultural Trust states that the Council shall remain liable for the deficit in the fund in respect of benefits accrued up to the transfer date of 1 November 2014. No responsibility for those contributions subsequent to 1 November 2014 has been transferred to the Trust, and therefore there is no liability to the Trust in respect of this defined benefit pension scheme.

**Notes to the financial statements**  
**for the year ended 31 March 2020**

**1.14 Judgements and key sources of estimation uncertainty**

Tangible fixed assets are depreciated over their useful lives, taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into consideration. Residual value assessments consider issues such as future market conditions the remaining life of the asset and projected disposal values. The carrying amount is £279,829 (2019: £27,077).

The Trustees consider that there are no other material areas of judgement or estimation uncertainty.

Notes to the financial statements  
for the year ended 31 March 2020

2 Grants and donations

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

	Unrestricted funds £	Restricted funds £	2020 Total £	2019 Total £
Hampshire County Council (HCC)	2,464,361	-	2,464,361	2,531,323
Winchester City Council (WCC)	330,353	-	330,353	387,095
	<u>2,794,714</u>	<u>-</u>	<u>2,794,714</u>	<u>2,918,418</u>
<b>Other Local Authority grants:</b>				
Basingstoke and Deane Borough Council	183,600	-	183,600	187,348
Gosport Borough Council	60,000	-	60,000	60,000
Eastleigh Borough Council	39,136	-	39,136	48,136
Dorset, Christchurch and Poole Council	100,000	-	100,000	100,128
Rushmoor Borough Council	44,240	-	44,240	44,224
New Forest District Council	17,000	-	17,000	17,000
East Hampshire District Council	-	-	-	11,000
Alton Town Council	-	-	-	3,000
Bursledon Parish Council	2,400	-	2,400	2,672
	<u>446,376</u>	<u>-</u>	<u>446,376</u>	<u>473,508</u>
<b>Other grants:</b>				
Arts Council England	-	92,472	92,472	64,800
National Lottery Heritage Fund	-	39,600	39,600	127,515
Farnborough Airport Community Environmental Fund	-	15,000	15,000	-
HCC - Wessex Dance Academy	91,325	-	91,325	107,721
HCC - Non Core Grants	25,000	22,817	47,817	22,774
WCC - Non Core Grants	-	7,277	7,277	-
Brighton and Hove Borough Council	-	76,198	76,198	49,821
Paul Hamlyn Foundation	-	87,500	87,500	87,500
WCC - Publication Reserve	-	-	-	32,116
Portable Antiquities Scheme - British Museum	-	35,444	35,444	26,976
Artsworld Ltd	-	38,500	38,500	31,500
Sussex Partnership NHS Foundation Trust	-	25,000	25,000	25,000
Police and Crime Commissioner	-	20,000	20,000	20,000
Hampshire Futures	-	10,000	10,000	-
Hampshire & IOW CRC	-	7,400	7,400	5,000
Historic England	-	26,930	26,930	24,338
Esmee Fairbairn Collections Fund (Museums Association)	-	23,952	23,952	-
Armed Forces Covenant Fund	-	18,100	18,100	-
HMP YOI Winchester	-	10,000	10,000	-
Other grants (less than £5,000)	-	11,702	11,702	28,486
	<u>116,325</u>	<u>567,892</u>	<u>684,217</u>	<u>653,547</u>
<b>Total grants</b>	<u>3,357,415</u>	<u>567,892</u>	<u>3,925,307</u>	<u>4,045,473</u>

Notes to the financial statements  
for the year ended 31 March 2020

	Unrestricted funds £	Restricted funds £	2020 Total £	2019 Total £
<b>Other donations:</b>				
Friends of Gosport Museum	-	50,000	50,000	-
Miscellaneous donations (below £5,000)	76,941	51,232	128,173	121,027
Regular Donations	6,446	300	6,746	15,126
<b>Total donations</b>	<b>83,387</b>	<b>101,532</b>	<b>184,919</b>	<b>136,153</b>
<b>Total grants and donations</b>	<b>3,440,802</b>	<b>669,424</b>	<b>4,110,226</b>	<b>4,181,626</b>

In respect of the Grants and Donations of £4,181,626 which were received in 2018-19, £3,556,799 related to unrestricted funds and £624,827 related to restricted funds.

**3 Income from charitable activities**

	2020 £	2019 £
Admissions	1,029,525	783,092
Workshops and classes	206,544	208,398
Box office	312,181	321,287
Booking fees	18,284	12,547
Room hire	79,047	72,326
	<u>1,645,581</u>	<u>1,397,650</u>

All income from charitable activities in both 2020 and 2019 are unrestricted.

**4 Income and expenditure from trading activities of subsidiary**

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

The trading company transfers its taxable profits to the Trust by way of Gift Aid. A summary of its trading results for the year ended 31 March 2020 are shown below and will be filed with Companies House.

Notes to the financial statements  
for the year ended 31 March 2020

	2020	2019
	£	£
<b><u>Profit and loss account</u></b>		
Turnover	825,967	821,430
Cost of sales	<u>(318,329)</u>	<u>(377,955)</u>
Gross Profit	507,638	443,475
Administrative expenses	(183,714)	(208,421)
Other operating income	12,393	9,641
Operating profit and profit before taxation	<u>336,317</u>	<u>244,695</u>
Tax on profit	-	-
<b>Profit for the financial year</b>	<b><u>336,317</u></b>	<b><u>244,695</u></b>
Amount gifted to Hampshire Cultural Trust	(252,205)	(381,420)
Retained profit for the period	<u>84,112</u>	<u>(136,725)</u>
Retained profit brought forward	<u>262,634</u>	<u>399,359</u>
Retained profit carried forward	<b><u>346,746</u></b>	<b><u>262,634</u></b>
<b><u>Balance sheet</u></b>		
Assets	389,392	365,925
Liabilities	<u>(37,260)</u>	<u>(97,905)</u>
<b>Net current assets</b>	<b><u>352,132</u></b>	<b><u>268,020</u></b>
Provision for liabilities	4,386	4,386
<b>Net assets</b>	<b><u>347,746</u></b>	<b><u>263,634</u></b>
Called up ordinary share capital	1,000	1,000
Profit and loss account	346,746	262,634
<b>Capital and reserves</b>	<b><u>347,746</u></b>	<b><u>263,634</u></b>

5 **Investment income**

	2020	2019
	£	£
Investment income	<u>11,897</u>	<u>11,550</u>

All investment income in both 2020 and 2019 is unrestricted.

Notes to the financial statements  
for the year ended 31 March 2020

6 Other income

	2020	2019
	£	£
Collections and conservation income	15,723	10,501
Penny arcade	22,671	16,201
Events and hire	41,364	124,113
Gift Aid and other tax reliefs	188,459	131,681
Other	6,277	26,977
	<u>274,494</u>	<u>309,473</u>

Included within Gift Aid and other tax relief, is £527 which relates to restricted income from Gift Aid. All other income in 2019 is unrestricted.

7 Fundraising and publicity

	2020	2019
	Total	Total
	£	£
	<u>156,346</u>	<u>147,824</u>

Fundraising and publicity costs are wholly unrestricted in both the current and prior year, and include the cost of marketing the programme of events across the venues.

8 Costs of charitable activities

	Unrestricted	Restricted	2020	Unrestricted	Restricted	2019
	funds	funds	Total	funds	funds	Total
	£	£	£	£	£	£
Public programmes	261,593	-	261,593	493,634	-	493,634
Collections	461,208	-	461,208	323,310	67,516	390,826
Venues	3,055,262	-	3,055,262	2,730,835	26,046	2,756,881
Business development	1,474,102	-	1,474,102	1,672,328	31,062	1,703,390
Projects	76,383	600,444	676,827	-	447,402	447,402
	<u>5,328,548</u>	<u>600,444</u>	<u>5,928,992</u>	<u>5,220,107</u>	<u>572,026</u>	<u>5,792,133</u>

Business Development included the costs of central functions such as marketing, finance, HR and IT, in addition to the senior management team and grant-funded South East Museum Development Programme.

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



Notes to the financial statements  
for the year ended 31 March 2020

9 Auditor's remuneration

	2020 £	2019 £
Audit fees - Trust	<u>11,000</u>	<u>4,750</u>
Audit fees - Trading subsidiary	<u>3,250</u>	<u>2,000</u>

10 Employees

	2020 £	2019 £
<b>Employment costs</b>		
Wages and salaries	3,276,745	3,154,664
Redundancy payments	26,467	-
Social security costs	273,751	250,985
Pension costs	<u>316,454</u>	<u>298,655</u>
	<u>3,893,417</u>	<u>3,704,304</u>

**Key management personnel**

Employee benefits received by key management personnel during the year totalled £621,278 (2019: £440,064).

During 2019, the Board strengthened the management team through restructuring and now includes the Chief Executive, Director of Finance (to February 2020), Director of People, Director of Marketing and Fundraising, Head of Programming, Head of Destination Winchester, Head of Community, Head of Culture Hubs and Museum Director.

**Higher paid employees**

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

	2020	2019
£60,001 to £70,000	-	1
£70,001 to £80,000	3	2
£80,001 to £90,000	-	1
£90,001 to £100,000	-	-
£100,001 to £110,000	<u>1</u>	<u>-</u>

There are no higher paid employees accruing defined pension benefits during the year (2019: 1).

Employer contributions to a defined contribution scheme for employees who earned over £60,000 was £18,374 (2019: £11,350).

Notes to the financial statements  
for the year ended 31 March 2020

**Number of employees**

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

	2020	2019
Cost of generating funds	2	2
Charitable expenditure	<u>201</u>	<u>189</u>
	<u>203</u>	<u>191</u>

**Trustees' Remuneration**

No Trustees have received any remuneration in either year for their services to the Trust.

No expenses have been reimbursed to any Trustees in the year (2019: £365).

Notes to the financial statements  
for the year ended 31 March 2020

11 Intangible fixed assets

	2020 £	2019 £
Cost at 1 April and 31 March	<u>2</u>	<u>2</u>

12 Tangible fixed assets

**Group**

	Plant & machinery £	Computer equipment £	Fixtures & fittings £	Leasehold improve- ments £	Total £
<b>Cost</b>					
At 1 April 2019	4,300	17,583	170,886	-	192,769
Additions	<u>20,989</u>	<u>45,356</u>	<u>103,078</u>	<u>165,018</u>	<u>334,441</u>
At 31 March 2020	<u>25,289</u>	<u>62,939</u>	<u>273,964</u>	<u>165,018</u>	<u>527,210</u>
<b>Depreciation</b>					
At 1 April 2019	4,300	17,583	143,809	-	165,692
Charge for the year	<u>5,248</u>	<u>15,118</u>	<u>44,822</u>	<u>16,501</u>	<u>81,689</u>
At 31 March 2020	<u>9,548</u>	<u>32,701</u>	<u>188,631</u>	<u>16,501</u>	<u>247,381</u>
<b>Net book value</b>					
At 31 March 2020	<u>15,741</u>	<u>30,238</u>	<u>85,333</u>	<u>148,517</u>	<u>279,829</u>
At 31 March 2019	<u>-</u>	<u>-</u>	<u>27,077</u>	<u>-</u>	<u>27,077</u>

	Plant & machinery £	Computer equipment £	Fixtures & fittings £	Leasehold improve- ments £	Total £
<b>Trust</b>					
<b>Cost</b>					
At 1 April 2019	-	-	139,549	-	139,549
Additions	<u>6,108</u>	<u>43,633</u>	<u>96,652</u>	<u>77,804</u>	<u>224,197</u>
At 31 March 2020	<u>6,108</u>	<u>43,633</u>	<u>236,201</u>	<u>77,804</u>	<u>363,746</u>
<b>Depreciation</b>					
At 1 April 2019	-	-	128,330	-	128,330
Charge for the year	<u>1,527</u>	<u>14,544</u>	<u>35,380</u>	<u>7,780</u>	<u>59,231</u>
At 31 March 2020	<u>1,527</u>	<u>14,544</u>	<u>163,710</u>	<u>7,780</u>	<u>187,561</u>
<b>Net book value</b>					
At 31 March 2020	<u>4,581</u>	<u>29,089</u>	<u>72,491</u>	<u>70,024</u>	<u>176,185</u>
At 31 March 2019	<u>-</u>	<u>-</u>	<u>11,219</u>	<u>-</u>	<u>11,219</u>

Notes to the financial statements  
for the year ended 31 March 2020

13 Fixed asset investments

<u>Trust</u>	Total £
Market value or cost at 1 April 2019 and 31 March 2020	<u>1,000</u>
Historical cost at 1 April 2019 and 31 March 2020	<u>1,000</u>

Fixed asset investments are unlisted investments, representing 100% of the issued share capital of Hampshire Cultural Trust Trading Limited, a company registered in England and Wales. The company registration number is 09257219.

14 Stock

	Trust £	2020 Group £	Trust £	2019 Group £
Goods for resale	-	<u>97,525</u>	<u>2,463</u>	<u>77,284</u>

15 Debtors

	Trust £	2020 Group £	Trust £	2019 Group £
<b>Amounts due within 1 year:</b>				
Trade debtors	165,532	181,751	482,277	507,800
Prepayments and accrued income	266,318	266,156	102,203	102,203
Other debtors	19,165	19,165	209,755	284,207
	<u>451,015</u>	<u>467,072</u>	<u>794,235</u>	<u>894,210</u>

16 Creditors (amounts falling due within one year)

	Trust £	2020 Group £	Trust £	2019 Group £
Trade creditors	167,989	184,100	216,781	251,542
Tax and social security	88,283	88,283	66,596	70,982
Other creditors	280,943	292,567	366,511	491,433
Accruals and deferred income	171,040	184,790	67,835	72,532
Intercompany account	119,046	-	166,111	-
	<u>827,301</u>	<u>749,740</u>	<u>883,834</u>	<u>886,489</u>

Notes to the financial statements  
for the year ended 31 March 2020

17 Analysis of net assets between funds

**Group**

Fund balances at 31 March are represented by:

	Unrestricted funds £	Restricted funds £	2020 Total £	Unrestricted funds £	Restricted funds £	2019 Total £
Intangible fixed assets	2	-	2	2	-	2
Tangible fixed assets	229,055	50,774	279,829	27,077	-	27,077
Current assets	1,990,988	405,724	2,396,712	2,131,363	361,671	2,493,034
Current liabilities	(749,740)	-	(749,740)	(886,489)	-	(886,489)
	<u>1,470,305</u>	<u>456,498</u>	<u>1,926,803</u>	<u>1,271,953</u>	<u>361,671</u>	<u>1,633,624</u>

**Trust**

Fund balances at 31 March are represented by:

	Unrestricted funds £	Restricted funds £	2020 Total £	Unrestricted funds £	Restricted funds £	2019 Total £
Intangible fixed assets	2	-	2	2	-	2
Tangible fixed assets	125,411	50,774	176,185	11,219	-	11,219
Investment assets	1,000	-	1,000	1,000	-	1,000
Current assets	1,824,450	405,724	2,230,174	1,880,932	361,671	2,242,603
Current liabilities	(827,301)	-	(827,301)	(883,834)	-	(883,834)
	<u>1,123,562</u>	<u>456,498</u>	<u>1,580,060</u>	<u>1,009,319</u>	<u>361,671</u>	<u>1,370,990</u>

Included within Unrestricted funds above, are Designated funds of £330,000 held as current assets (see note 18).

**Notes to the financial statements**  
**for the year ended 31 March 2020**

Funder	Project	Details
Arts Council England	Reaching Out!	Project working with North Hampshire schools to increase museum engagement
Arts Council England	Connecting Conversations	Research project on cultural engagement in Rushmoor
Arts Council England	SEMDP	South East Museum Development Programme
National Heritage Lottery Fund	Still Curious	HLF funded dementia friendly heritage programme at Red House Museum
National Heritage Lottery Fund	Asking Andover	HLF funded community development programme - collecting local stories from new and existing Andover residents
National Heritage Lottery Fund	Culture Impact	HLF funded project developing impact framework and community development toolkit
National Heritage Lottery Fund	Industrious Minds	Industrious Minds is an 18-month project working with young people, from the Eastleigh Borough, to engage them with the industrial heritage of the town.
Childhood Legacy Collection	Simpson Teddy Bear Legacy	To care for the teddy bear collection - legacy from Mr Simpson
WDC Lighting Grant		Transfer from HCC - Partly Wolfson bid for lighting
Paul Hamlyn Foundation	Horizon 20:20	Paul Hamlyn funded programme working with 7 Education Centres across Hampshire
British Museum	Portable Antiquities Scheme	Identification and recording of metal detecting finds made in Hampshire
Armed Forces Covenant Fund	The Resilience Garden	'The Resilience Garden' project will engage men from both the Armed Forces and civilian communities to design, create and maintain a community garden at Aldershot Military Museum.
NHS Sussex Partners	The ICE Project	Arts intervention programme working in partnership with Hampshire CAMHS
Artswork UK	The ICE Project	Arts intervention programme working in partnership with Hampshire CAMHS
Hampshire County Council		One-off income relating to cost incurred in previous year
Winchester City Council	WCC Object Acquisitions	This is a restricted reserve for WCC object acquisitions
Museum Association - Esmee Fairbairn Collections Fund	On The Move!	Supporting volunteers to help better manage the industrial heritage collections
Historic England	Winchester Publication Series	Publish the archaeological investigations of the WCC Unit in 1970s and 1980s
Hampshire Futures	Brighter Futures	Programme of courses for adults with mental health issues
Police and Crime Commissioner	Creating Change	Programme working with women on probation
Hampshire and IOW CRC	Creating Change	Programme working with women on probation
Hampshire and IOW CRC	Summer Arts Award	Creative project with Hampshire Youth Offending Team offers young people new, creative experiences to improve their life skills and attitudes to learning.
HMP Winchester	HMP Winchester	At HMP Winchester HCT work with BearFace Theatre CIC, to deliver creative, active and participatory workshop programmes to positively affect prisoner's attitudes, thinking and behaviour.
Friends of Gosport Museum	Friends of Gosport Museum	In memory of Margaret Roberts
TAG Farnborough Airport Community Environmental Fund managed by Rushmoor Borough Council	Aldershot Venue Investment	£15,000 TAG funding towards the Play Trail at Aldershot Military Museum
Hampshire County Council	Milestones Venue Investment	Support received from Hampshire County Council to support the refurbishment of the toilets at Milestones Museum.

Notes to the financial statements  
for the year ended 31 March 2020

18 Funds

<u>Restricted funds</u>	1 April 2019	Income	Expenditure	Transfers	31 March 2020
	£	£	£	£	£
<b>Arts Council England</b>					
Reaching Out	25,715	64,800	62,755	-	27,760
Connecting Conversations	-	27,672	25,625	2,000	4,047
SEMDP via BHBC	-	76,198	76,202	-	(4)
<b>National Heritage Lottery Fund</b>					
Still Curious	23,006	22,500	23,627	-	21,879
Asking Andover	8,000	-	9,366	1,366	-
Culture Impact	35,800	-	7,200	-	28,600
Industrious Minds	-	17,100	-	-	17,100
<b>Other Grant Funding</b>					
Childhood Legacy Collection	90,000	-	-	-	90,000
WDC Lighting Grant	22,782	-	-	-	22,782
Paul Hamlyn Foundation	69,125	87,500	98,587	15,000	73,038
British Museum - Portable Antiquities Scheme	-	35,444	34,362	-	1,082
Armed Forces Covenant Fund	-	18,100	-	-	18,100
NHS Sussex Partners	18,586	25,000	43,773	187	-
Artswork	-	38,500	33,498	-	5,002
Winchester City Council	-	7,277	-	-	7,277
Esmee Fairbairn Collections Fund via Museums Association	-	23,952	10,262	-	13,690
Historic England	27,139	26,930	49,617	-	4,452
Hampshire Futures/Brighter Futures	(6,500)	10,000	6,760	6,500	3,240
Hampshire Police and Crime Commissioner	-	20,000	20,000	-	-
Hampshire and Isle of Wight Community Rehabilitation Company	4,835	7,400	4,140	1,000	9,095
Hampshire and Isle of Wight Community Rehabilitation Company	5,000	-	5,000	-	-
HMP Winchester	-	10,000	2,500	2,500	10,000
Friends of Gosport Museum	-	50,000	20,986	-	29,014
Farnborough Airport Community Environmental Fund	-	15,000	-	-	15,000
HCC Contribution to the toilet refurbishment	-	22,817	2,281	-	20,536
Other Grant (below £5,000)	18,855	11,703	12,708	(4,357)	13,493
Donations	19,328	52,058	51,195	1,124	21,315
	361,671	669,951	600,444	25,320	456,498

The transfers relate to the contribution to restricted projects by the Trust, these projects are detailed further, in the notes below.

**Notes to the financial statements**  
**for the year ended 31 March 2020**

**Comparative information for restricted funds:**

	1 April 2018	Income	Expenditure	Transfers	31 March 2019
	£	£	£	£	£
Childhood Legacy Collection	90,000	-	-	-	90,000
WDC Lighting Grant	22,782	-	-	-	22,782
Heritage Lottery Fund	19,968	10,000	29,968	-	-
Paul Hamlyn Foundation	63,573	87,500	81,948	-	69,125
Portable Antiquities Scheme	5,660	26,976	32,636	-	-
Test Valley Borough Council	5,000	-	-	-	5,000
University of Southampton	4,410	-	-	-	4,410
Arts Council England - DFE	20,049	64,800	59,134	-	25,715
National Heritage Lottery Fund	11,288	13,360	24,648	-	-
NHS Sussex Partners	15,000	25,000	21,414	-	18,586
Artswork	-	31,500	31,500	-	-
The Barker Mills Foundation	-	5,000	5,000	-	-
Private Donor	-	5,000	5,000	-	-
Ministry of Defence	10,000	-	10,000	-	-
De Lazlo Foundation - Wessex Dance	10,000	-	8,095	-	1,905
Historic England (WCC Publication Reserve)	1,964	56,454	31,279	-	27,139
Private donor	7,500	15,000	5,080	-	17,420
Radian Group Ltd	4,175	-	4,175	-	-
Hampshire Future	2,500	-	9,000	-	(6,500)
NHLF Young Roots - Gosport Grant	15,000	14,400	29,400	-	-
Lymington Museum Trust	-	7,112	7,112	-	-
Brighton and Hove Borough Council	-	49,821	49,821	-	-
NHLF - Still Curious	-	25,000	1,994	-	23,006
Colten Care	-	2,500	2,500	-	-
Friends of the Red House Museum	-	4,500	4,500	-	-
NHLF - Catalyst	-	18,955	18,955	-	-
NHLF - Asking Andover	-	10,000	2,000	-	8,000
NHLF - Impact	-	35,800	-	-	35,800
Winchester City Council - Cost of change	-	50,000	50,000	-	-
Police and Crime Commissioner	-	20,000	10,165	-	9,835
Hampshire and IOW CRC	-	5,000	5,000	-	-
HCC - Waste Prevention Community Grant Fund	-	4,884	2,981	-	1,903
HCC Living Through D Day	-	4,890	-	-	4,890
Winchester University	-	10,000	10,000	-	-
Other Grant (below £5,000)	2	21,375	18,721	-	2,656
	<b>308,871</b>	<b>624,827</b>	<b>572,026</b>	<b>-</b>	<b>361,671</b>



Notes to the financial statements  
for the year ended 31 March 2020

<u>Designated Funds</u>	2020	2019
	£	£
Gosport venue investment	100,000	-
Teddy Bear Museum	20,000	-
Milestones Pier	110,000	-
Opening up fund	100,000	-
	<u>330,000</u>	<u>-</u>

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

The Trustees have designated £100,000 of funds towards the redevelopment of Gosport Old Grammar School. The venue will close at the end of 20-21 for the works to commence.

The Board have committed to invest in a new attraction, the Teddy Bear Museum within Milestones Museum. The work is due to commence during 2020-21 with plans to open in quarter 4 2020-21. These funds will contribute towards the restricted monies, as detailed within note 18.

The Board has committed to invest in the remodelling of the Milestones Pier and the popular vintage Penny Arcade Funds have been designated in order to carry out the work during 2020-21, in advance of an opening date during late 2020-21.

Post year end, at a Board meeting on 9 June 2020, the Trustees agreed to set aside funds to support the re-opening of the venues in line with government guidelines as a result of the Coronavirus pandemic.

## 19 Commitments and contingent liabilities

Neither the Trust nor the group had any capital commitments or contingent liabilities at 31 March 2020 (2019: nil).

## 20 Operating leases

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

The museum and arts centres, and also the central office spaces are leased from the founding members and other local authorities, as agreed in the Management Funding Agreement. The lease terms are for 35 years and a peppercorn rent is payable. There are 30 years remaining at the balance sheet date.

## 21 Related party transactions

Grant funding received from Hampshire County Council and Winchester City Council has been detailed in note 2 and note 18 to the accounts.

**Notes to the financial statements**  
**for the year ended 31 March 2020**

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

**22 Taxation**

All of the Trust's income is applied for charitable purposes and is therefore exempt from corporation tax. The Trust's trading subsidiary had a corporation tax liability of £nil at 31 March 2020 (2019: nil).

**23 Ultimate controlling party**

The ultimate controlling party is the Board of Trustees.

**24 Funds held as custodian Trustee on behalf of others**

The Trust is the custodian of a number of properties (museums and arts centres) and historic assets which are held on behalf of our founding members, Hampshire County Council and Winchester City Council. These assets are held separately from the Trust's assets and are fully catalogued with Modes.

**Hampshire County Council**

During the year a total of 58 items were added to the Hampshire County Council museum collections.

The majority of the acquisitions were gifted at no cost. Seven items were purchased at a total of £2,865. The single most expensive item was the early Anglo-Saxon cast gold cloisonne buckle at £900.

No single item acquired was estimated to be worth in excess of £1,000. One accessioned museum object, a set of three WW1 medals, has been disposed of from the HCC collections as a duplicate, and on request by the original donor.

**Winchester City Council**

A total of 12 acquisitions were made to the Winchester City Council collections. All but two of the acquisitions were by gift. There were no disposals from the collection.