

Charity number: 1158583
Company number: 08986225

HAMPSHIRE CULTURAL TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

Compass Accountants Limited
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Report of the Trustees (incorporating the Directors' report) for the year ending 31 March 2018

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 2018.

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 Memorandum and Articles of Association, 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 01 January 2015).

Chairman's report

We have had an extremely busy and successful year at Hampshire Cultural Trust and have seen some remarkable achievements.

Jane Austen 200, the national campaign to reclaim Jane Austen for Hampshire, was a triumph. It included the critically acclaimed *Mysterious Miss Austen* exhibition at Winchester Discovery Centre and a series of unique exhibitions across the county. We received our strongest ever media attention with national and international coverage. This was swiftly followed by *Turner and the Sun* in Winchester and Basingstoke, with 10 paintings and two sketchbooks from Tate, plus rarely-seen personal items, for this stand-out exhibition exploring Turner's depiction of the sun. These two exhibitions are perfect examples of the Trust bringing world-class culture to Hampshire's doorstep, one of our overarching goals.

We are engaging more actively with communities across all our venues. We completely refurbished Westbury Manor Museum and the ground floor of Winchester City Museum; both venues have achieved acclaim since re-opening. Milestones Museum, our biggest and most critical venue, has outperformed targets with over 100,000 visitors for the year, and is now selling up to 40% of tickets online due to investment in our digital transformation programme which is well underway. This will deliver a new ticketing system for our art centres and a new website in 2018-19.

Our art centres continue to provide a wide range of music, comedy, theatre, classes and workshops, working for and with local communities and artistic partners to provide exciting cultural events, activities and projects. For the third time in four years, the West End Centre in Aldershot reached the national final of the Live UK Music Business Awards, an enormous achievement.

Our Social Impact programme, targeting vulnerable people across Hampshire, has gone from strength to strength. It has, in just 12 months, worked with 1,300 participants on a range of programmes designed to engage with and improve the lives of the most vulnerable in society. In addition, the team has delivered a variety of school programmes, both led and self-led, to nearly 21,000 school children.

Much of our activity this year has provided unprecedented opportunities to showcase items from our collections; from decorative art and historic costume collections for Jane Austen 200 to displaying the WWI J-type lorry at the Great Dorset Steam Fair in the summer.

In addition to our core funding, we secured over half a million pounds in fundraised income through grants for Social Impact projects, ambassador donations, corporate support and donations to special projects; these included Winchester - The Royal City and the Wessex Dance Academy. This level of fundraised income is remarkable for an organisation that is not even four years old. It is an impressive achievement on the part of everyone involved.

Towards the end of the year, we embarked on an organisational restructure to modernise and shape the Trust to achieve growth and deliver our ambitions for the future. We also commissioned a governance review, the findings of which will be delivered in 2018-19. I am confident that we are now set up in the best way possible to achieve even more. We will use our extensive breadth of skills and knowledge to focus on providing access to world-class experiences, using culture to connect with and make a positive impact on our diverse audiences and communities.

I would like to thank all of our passionate staff and brilliant volunteers, including Trustees, for their dedication and hard work during what has been a challenging and exciting year. I hope you enjoy this review, which illustrates just some of our achievements for 2017-18 and gives an outline of our plans for the future.



Alan Lovell

Chairman

9 November 2018

Purpose and charitable objects

The Trust's charitable objects 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
- Stewardship of over 2.5 million objects relating to Hampshire's cultural heritage
- 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 and the Isle of Wight area via the Arts Council England funded 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 and relies on the support of many more volunteers across Hampshire and East Dorset. Volunteers provide a customer welcome and support at the venues, bring their expertise and enthusiasm to the collections, support the exhibition and learning programmes, and help support the delivery of the young people engaged in the Trust's youth activities.

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 gallery 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 vulnerable young and older people on low incomes and at risk of isolation. The majority of our venues provide free admission, and those that do charge provide opportunities for discount or 'without charge' arrangements, including through our outreach programmes.

STRATEGIC REPORT

Achievements and performance

Highlights of our achievement and performance are explained in relation to our strategic goals:

1. Hampshire Cultural Trust will change the lives of over one million people per annum by 2025

- a) We directly engaged with nearly 740,000 people, an 8% increase over 2016-17 of which:
 - 541,000 visited our managed museum venues and art centres, including non-paying and paying visitors to art centres
 - 198,000 visited venues that the Trust supports in partnership
 - 21,000 school children enjoyed a wide range of programmes at our venues
- b) Our visitor figures for museums increased by 13.1% over 2016-17.
- c) We worked with 1,300 participants on programmes designed to engage with and help improve the lives of the most vulnerable in society, partners included:
 - Paul Hamlyn Foundation
 - Hampshire Futures
 - Hampshire Child and Adolescent Mental Health Services (CAMHS)
 - Hampshire and Isle of Wight Community Rehabilitation Company
 - North East Hampshire and Farnham Clinical Commissioning Group
 - Ways into Work
- d) Our earned income was £2,586,766, an increase of 20% on last year.
- e) We achieved Gift Aid of £67,397.
- f) Our venue donation income was £91,180, an increase of 118% on last year.
- g) Our fundraising income excluding ACE and HLF was £535,191, of which £120,000 contributed towards core costs.
- h) Milestones, our biggest admission charging venue, is now selling 40% of tickets online.
- i) Our digital engagement through web and social media is more than 2 million, representing a growth of 25%.
- j) We secured a grant from Google AdWords of \$120,000 value per annum.
- k) Jane Austen 200 reclaimed Jane for Hampshire with national and international press coverage.
- l) We secured more than 1,200 pieces of positive press coverage, of which 14% were national or international, an increase from a baseline of zero.

- m) Our *Turner and the Sun* exhibition saw 18,729 visitors in a 10 week period, our busiest exhibition ever.
- n) Our three arts centres staged 371 events and have provided opportunities for local people to work with world-class contemporary arts companies contributing to events in their communities.

2. Hampshire Cultural Trust will deliver vibrant world-class cultural experiences by 2025

a) *Jane Austen 200 – A life in Hampshire*

2017 marked the 200th anniversary of Jane Austen's death, and Hampshire Cultural Trust came together with Jane Austen's House Museum and many other partners across the county to celebrate her creativity and talent.

The year was packed with a collaborative programme of exhibitions, talks, walks, writing competitions and performances.

Press coverage ranged from international, national and local with a total reach of 370m and an Advertising Value Equivalency of £2.5m. The campaign contributed nearly £21m to the county's economy.*

*(source: TSE Research, Jane Austen 200, Economic impact on Hampshire)

Our flagship exhibition for Jane Austen 200 was *The Mysterious Miss Austen* at The Gallery, Winchester Discovery Centre.

Presented in partnership with Jane Austen's House Museum, this landmark exhibition explored Jane's life, work and her relationship to Hampshire.

The exhibition brought together six portraits of Jane under one roof for the very first time. It also showcased another 80 items, including paintings, watercolours, prints, illustrations, manuscripts, letters, clothing and other objects. Some were generously loaned from private and public collections both in the UK and abroad, with others coming from our own collections; including Jane's pelisse coat and her purse and case for sewing materials, both normally on display at Winchester City Museum.

Other exhibitions and activities included:

- *Jane's Winchester: Malady and Medicine* at City Space, Winchester Discovery Centre
- *Jane and Her Alton Apothecary*, Allen Gallery, Alton
- *The Navy at the Time of Jane Austen*, Gosport Gallery
- *Retail and Romance: Jane Goes to the Ball*, Willis Museum, Basingstoke

We ran three writing competitions, one for adults and two for children. The adult's prizes were presented to the winners by HRH the Earl of Wessex.

We helped raise funds for, and commissioned Basingstoke sculptor Adam Roud to create the first life-size bronze sculpture of Jane Austen which was placed in the Market Square in Basingstoke, outside the Willis Museum.

- b) *Angie Lewin: A Printmaker's Journey* was a unique, artist-curated exhibition, bringing together national loans from Tate and V&A Museum alongside the artists' own personal collection. The exhibition not only drew 14,000 visitors to our venues, it also generated £8,000 of retail sales of the popular artists prints.
- c) *Turner and the Sun*, the first exhibition to be devoted solely to the artist's lifelong obsession with the sun, displayed ten paintings and two sketchbooks from Tate, plus rarely-seen personal items from a private lender. We saw 18,729 visitors in just ten weeks. An accompanying education programme delivered free workshops and coach travel to ten schools, engaging 650 participants.
- d) With additional funding from Winchester City Council, Hampshire County Council and generous donations from our supporters we completely refurbished the ground floor of Winchester City Museum and installed the wonderful model of Victorian Winchester, built by former County Planning Officer, Roger Brown.
- e) We worked with funding from Fareham Borough Council, the Heritage Lottery Fund and Hampshire County Council to refurbish Westbury Manor Museum. The refurbishment enabled us to bring the museum displays up-to-date, introducing new digital interpretation and highlighting the history of the house and the eight admirals associated with it. Volunteers contributed a huge amount of time and enthusiasm to the project and we now have a vastly improved community asset for Fareham.
- f) Our summer exhibition at Milestones, *Time Maze Adventure* saw the museum turned into a temporal hub for young adventurers to complete the mission of fixing time! Based on four mazes inside and one outside, the event proved extremely popular with more than 22,000 visitors over the summer holidays.
- g) Our digital transformation programme is well underway, with on line advance ticket booking implemented at three of our five charging venues, an electronic point of sale system implemented at two of our venues and a new website launched in June 2018.
- h) LEGO® *Mythical Beasts* at Milestones attracted over 30,000 visitors with 2000 downloads of the accompanying app.
- i) The programme of symposiums and conferences for The Royal City programme continued with the first academic conference in July 2017. The conference, *Winchester, An Early Medieval Royal City*, comprised a three-day programme of keynote lectures and sessions exploring the development of Winchester, its cultural and political life and its place in the Anglo-Saxon and early medieval world. The conference was attended by 166 delegates from all over the world.
- j) The award-winning dance production *5 Soldiers* was performed at Aldershot Military Barracks in partnership with the West End Centre. An eight-week, tailor-made outreach programme to build new links between the military, the arts and local communities, resulted in a brand new dance piece by local young people with no previous dance experience.

- k) More than 200 children, parents and carers took part in Ashcroft Arts Centre's summer PLAY! festival, a day of workshops and activities for younger visitors to the centre.
- l) To celebrate the spring equinox, Forest Arts Centre staged a new event, *Into the Light*, with visitors enjoying live music, contributing to the creation of a light installation and participating in a procession led by community performers.
- m) Winchester City Museum and Westgate Museum were awarded 'Full Accreditation' by the Arts Council England's Accreditation Panel in April and submissions for a further 14 museums managed by the Trust were made in August 2017. These have subsequently been successful.
- n) Our Hampshire Finds Liaison Officer, funded by the Portable Antiquities Scheme, hosted three MA placements from the University of Winchester, the University of Southampton and the University of Salento, Italy. We have also given talks, provided training sessions and held 'find days' as part of the Festival of British Archaeology. Four of our museums displayed treasure as part of the National Treasure20 celebrations in September 2017.
- o) One of the few surviving Thornycroft lorries from WWI attracted a lot of interest at the Festival of Transport in Basingstoke. It also made an outing to the Great Dorset Steam Fair.

3. Hampshire Cultural Trust will improve its ability every year to inspire better life chances

- a) Our Better Life Chances team worked with 1,300 participants on a range of programmes, designed to engage with and help improve the lives of the most vulnerable in society. These programmes worked with all members of our community, covering the whole of Hampshire and working with key partners to focus on the priority areas of young people, older people, schools and community.
- b) During the year the team secured over £400k of external funding and worked with 60 partners.
- c) We worked with 355 at risk young people across seven education centres through the Horizon 20:20 project, an ambitious arts intervention programme for vulnerable young people who cannot cope in a mainstream learning environment.
- d) The ICE Project, which is a partnership between HCT and Hampshire's Child and Adolescent Mental Health Services (CAMHS), worked with 100 vulnerable young people who have experienced mental health issues through delivery with 10 youth charities and 10 arts and cultural organisations
- e) The Better Life Chances team received funding from Hampshire County Council for the Cultural Pathways: Pathways to Employment project. This project succeeded in developing and testing a new approach to supporting adults with learning disabilities to achieve their employment goals. Through a programme of individual work placements and drama workshops, it created a framework using creative arts methods and cultural venues to help individuals enhance their self-confidence and social skills to prepare for the job market
- f) The team worked with over 100 older people living alone or at risk of isolation through a programme of consultation, participatory activities and visits to our museums. This programme

has helped build relationships with key community partners to develop ideas to work more closely together through grant funded activities.

- g) In partnership with Radian Housing, HCT received funding from Heritage Lottery Fund to bring together residents living in social housing communities in Whitehall and Bordon to explore, share and showcase both the local and their own diverse personal heritage in order to welcome and connect with residents moving into a new housing development
- h) Through funding from the North East Hampshire and Farnham Commissioning Group, HCT delivered a training programme for creative practitioners to work with adults experiencing mental health issues. Five creative practitioners spent five weeks working with their host organisation delivering creative sessions covering a range of activities from learning to play the ukulele, woodworking, mosaics and multimedia practices. Each practitioner was paired with a professional mental health worker/session facilitator from the host organisation so they could develop their skills in working with their specific client group and share best practice.
- i) Hampshire Cultural Trust and Hampshire and Isle of Wight Community Rehabilitation Company worked in partnership to deliver a new, arts-led intervention to service users on probation, Creating Change. This programme was designed and delivered by BearFace Theatre Company and funded by £8k from the CRC Innovation Fund.
- j) In 2017-18 the project worked with 62 service users across six Women's Centre groups and 20 service users across two About Turn Projects (substance misuse groups).
- k) #ArtAfterTurner involved a group of self-selecting local young and emerging artists working with a professional artist to create new work in response to our major exhibition, *Turner and the Sun*. Through the project the students were pushed to challenge their own arts practice to produce gallery ready artwork, they learnt how to curate and install their own show within a cultural venue, and presented their work at their first private view.
- l) Through a grant from the MOD Covenant Fund, the *100 Thank Yous* project worked with 30 young people from both military and civilian families in North East Hampshire to research the role of the Gurkhas in WWI and to respond through a variety of creative media.
- m) This year, 20 young people graduated from the Wessex Dance Academy. Seven of these young people have successfully returned to school, while another four have gone on to college. Three hope to go on to college later, others have moved into employment and some are volunteering.
- n) Throughout the year, a variety of school programmes, both led and self-led were delivered to nearly 21,000 school children.
- o) Funding was received from the Department of Education, via Arts Council England to lead a partnership of six museums in North Hampshire to participate in the Reaching Out! project. This project enabled all partners to increase their school visit numbers, with 44% of participating schools being first time visitors across the programme and 76% of these schools making return visits.

4. Hampshire Cultural Trust will deliver a surplus for reinvestment every year

- a) The Trust achieved a consolidated surplus for the year to 31 March 2018 of £477,921. The Trust's total reserves at 31 March 2018 were £1,428,587 of which £308,870 were held in restricted funds and £1,119,717 unrestricted.
- b) Hampshire Cultural Trust Trading Limited achieved a profit for the year to 31 March 2018 of £383,180. The results of the Trading Company are included in the above consolidated figures. The available taxable profits of the Trading Company will be Gift-Aided to the Trust during the next financial year.
- c) The Trust budgeted to secure £1,735,000 of fundraised income for 2017-18 and achieved income of £1,802,000: £1,622,000 through grants and £180,000 from donations within venues and to special projects. Key, successful fundraising areas in 2017-18 were projects such as the Reaching Out! programme, awarded £129,600 by Arts Council England and the Department for Education, representing two years' continuation funding, and donations towards special projects such as *Winchester*, *The Royal City* and the Jane Austen statue.
- d) We were not successful in applications to Arts Council England to become a National Portfolio Organisation and the Heritage Lottery Fund to make capital improvements to two galleries. However, the work carried out for these applications provided solid foundations for two subsequent projects: our Heritage Lottery Fund application for the redevelopment of the Gosport Old Grammar School and the potential for the regeneration of the Top of the Town in Basingstoke as a cultural hub.
- e) We enter 2018-19 with a number of key applications in the pipeline:
 - Gosport Heritage Museum and Gallery a round one application to the Heritage Lottery Fund to develop Gosport Old Grammar School building into a cultural hub, through improvements to the building and by increasing community engagement activities and training opportunities for local young people
 - HCT: sustainable practice, resilient future (£96,000) an application to the Heritage Lottery Fund for Resilient Heritage funding to embed consistent, best working practice in impact measurement, audience and community consultation and co-creation, and sustainable fundraising within HCT
- f) The Trust commissioned CASS Business School to conduct a governance review. This seeks to establish what arrangements and practice best suit and support the Trust to achieve its objectives in the future. The findings of the review will be introduced in 2018-19.

5. Hampshire Cultural Trust will be a great place to work for staff and volunteers

- a) We have more than 100 employees and 400 volunteers. They are our most valuable resource and we are grateful for their commitment. We aspire to work in a way that recognises their importance.

- b) Our staff have regular team meetings and we use our dedicated staff intranet to keep in regular contact with both our employees and volunteers. Our workplace forum provides an inclusive platform to share and consider our developments, opportunities and challenges.
- c) In October, we held two staff and volunteer events to celebrate achievements and inform everyone of future plans. The event, The Big Get Together, was held at Milestones on each day and involved participatory, fun activities along with interactive display stands from different departments across the Trust, presentations and Q&A sessions

Our Supporters

Hampshire Cultural Trust is very grateful to all of our supporters who have contributed to our activities during the year.

Ambassadors

Gold Founding Ambassadors

Mr and Mrs Peter Andreae
Mr Douglas Connell
Mr and Mrs Damon de Laszlo
Mr and Mrs George Hollingberry
Mr Alan Lovell DL
Mrs Virginia Lovell DL
Mr Finian and Dr Diana O'Sullivan
Mr and Mrs George Seligman

Gold Ambassadors

Mr David and Mrs Nadine Collinson
Mr Nigel McNair Scott

Founding Ambassadors

Mrs Rachel Bebb
Mr Robert and Mrs Fiona Boyle
Commodore Jonathan Cooke
Mr Tom Floyd
Mr David Frere-Cook
Dr Hugh Laing
Lady Angela Stansfield Smith
Professor Elizabeth Stuart
Mr David Walton
Mr and Mrs Peter Wilcock
Mrs Louise Woods
Mr Michael Campbell

Ambassadors

Lady Julia Craig Harvey
Mr Gerald Dodson

Founding Corporate Partners

Be Wiser Business Insurance
Paris Smith
Solent University
The University of Winchester

Individual Donors

Hampshire Cultural Trust
Company number: 08986225

Trusts, Foundations and Statutory Bodies

Arts Council England
The British Museum Portable Antiquities Scheme
The de Laszlo Foundation
Hampshire Futures
Heritage Lottery Fund
MOD Better Chances
One Community
Paul Hamlyn Foundation
Wolfson Trust
Youth Better Life Chances

Local Authority Partners

Basingstoke and Deane Borough Council
Bursledon Parish Council
Christchurch Borough Council
Dorset County Council
East Hampshire District Council
Eastleigh Borough Council
Fareham Borough Council
Gosport Borough Council
Hampshire County Council
New Forest District Council
Rushmoor Borough Council
Winchester City Council

Friends Groups

Friends of Aldershot Military Museum
Friends of the Allen Gallery, Alton
Friends of the Curtis Museum, Alton
Friends of Gosport Museum
Friends of the Red House Museum and Gardens, Christchurch
Friends of the Willis Museum, Basingstoke

The Friends of Basing House ceased to exist in 2015. They are spending their remaining funds on a monument to the fallen of the 1643-1645 sieges and some engraved benches.

Financial Review

2017-18 was the third full year of independent operations since the Trust's formation in November 2014.

In 2017-18 the total income of the Trust amounted to £8,317,343, an increase of 11 per cent over the prior year.

The Trust recorded a consolidated net surplus for the year of £477,921. This included a net surplus of £46,377 within the Trust's restricted funds for which costs will be incurred during the current or future years. Together with the brought forward funds of £950,666 the total funds at 31 March 2018 amounted to £1,428,587 (£1,119,717 unrestricted, £308,870 restricted).

The above consolidated figures include the results of the Trading Company. During the year the Trading Company recorded a net profit after tax of £383,180. This represented a substantial increase over the previous period and continues to demonstrate the Trust's ability to enhance the commercial performance of its trading activities in order to support its core aims.

The Trust remains heavily reliant on the continuing financial support of its founding local authorities and the wider network of district and borough councils across Hampshire and East Dorset. The Trust has secured funding agreements from Hampshire County Council, Winchester City Council and certain other local authorities for the period to March 2021. These provide for core funding over this time frame.

The Trust will continue to diversify and enhance its funding from other sources. Further details of funding sources for 2017-18 are set out in the notes to the accounts.

Investment Policy

The Trustees regularly review the cash, investments and liquidity of the Trust. Day to day management of investments is delegated to the Executive Leadership Team in accordance with the Trust's investment policy. Funds that are surplus to short term needs are placed on interest-bearing deposit with a leading UK high street bank. Due to current economic conditions the interest rates earned are extremely low, but nonetheless interest contributes to the Trust's funds.

Principal Risks

The Trust continues to develop its framework for risk management. At present, 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 risk register is regularly reviewed and discussed by senior management and with the Finance, Investment and Audit Committee.

Hampshire Cultural Trust
Company number: 08986225

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
- The economic and political environment, both locally and nationally, including changes within local government which could impact the financial support or tenancies that the Trust currently holds at its principal venues
- A decline in the quality and attractiveness of the Trust's offering to customers within a competitive local cultural market
- An event or incident at a Trust venue, which may impact a visitor, staff member or volunteer, or the infrastructure of the venue itself
- A breach or failure of financial or operations procedures or controls, or a failure to comply with statutory or regulatory requirements

These risks are mitigated or managed through the design and implementation of the Trust's work programme. For 2017-18 this included:

- An organisational restructure to modernise and shape the Trust to achieve growth and deliver our ambitions
- 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
- Ongoing development of staff and employment policies to meet current requirements and best practices
- 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.

Reserves

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 an incident at the Trust's main income-generating venue, or through delays in receipt of project grants. 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, subject to a minimum level of £1,000,000

Under this policy the Trustees consider an appropriate level of reserves to be approximately £1,000,000 in line with Charity Commission guidance on charity reserves. As at 31 March 2018, the Trust's total unrestricted funds were £1,119,717 which after deduction for amounts invested in fixed assets equates to reserves of £1,050,528. The accumulation of this level of reserves reflects the prudent financial management of the Trust during its first three years and five months of independent operations.

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

Plans for future periods

In 2017-18 we embarked on an organisational restructure to modernise and shape the Trust in the best way to achieve growth and deliver our ambitions while at the same time lowering our cost base to address planned local authority grant reductions.

We will focus on the priority areas of work that delivers social impact and work that strengthens our visitor attractions.

Our goals, while still centred on the key areas of quality, financial resilience, social impact and people, have been updated to better reflect our ambitions.

- To create treasured cultural showcases that attract visitors and inspire local pride
- To play a central role in developing communities and belonging, accessible to all
- To be confident and enterprising, with the agility to adapt towards a thriving future

- To create great spaces where people love to work and volunteer

The organisation has been shaped into four areas, each with a strong, identifiable purpose and clear accountability for the work and projects that are delivered within them.

Destination Winchester – focusing on Winchester as an international heritage destination, joining up its heritage attractions and making the most that the city has to offer

Milestones and Basing House – visitor attractions bringing history, science and the arts together to deliver increased economic impact

Community – creating opportunities for people to achieve a positive change in their lives through culture at our venues and our outreach projects

Culture Hubs – creating economic and social impact through working with partners and providing dynamic cultural hubs serving extended communities

These work streams are supported by a central team that includes collections, exhibitions, marketing, digital engagement and fundraising

We will continue to deliver our goals through these work streams:

Destination Winchester

- We have identified the development of a cultural Destination Winchester as a key priority and will work with partners to position Winchester as an international heritage destination by joining up its significant historic attractions as a coherent visitor proposition. Our long-term vision is to transform the heritage offer in Winchester through the development of a new museum hub and digital heritage city concept in order to deliver economic, social and educational outcomes
- The Gallery at the Discovery Centre will continue to deliver exceptional quality and varied exhibitions from our own team as well as from national lenders such as Tate's ARTIST ROOMS and the National Portrait Gallery
- Displays in the gallery on the first floor of Winchester City Museum will be refreshed with new artefacts, including the stunning remains of an arch from 12th century Hyde Abbey
- A one-day symposium, *Winchester, Early Medieval Power and Faith*, will be held in October 2018, with broadcaster and historian Dr Janina Ramirez as the keynote speaker

Milestones and Basing House

- Milestones Museum will be the focus of Hampshire's Big Theme 2018, Creative Genius with a major exhibition, *Mission Mega Machine*, a science-based adventure with lots of hands-on activities for all visitors. Another family-friendly exhibition will take place in early 2019
- The café at Milestones will be refurbished and updated and the menu enhanced

- As part of the Trust's wider digital transformation programme, Milestones will have its own web domain which will help improve its visibility in an ever competitive market place
- We will explore how to make the most of Basing House, a unique and nationally important historic site. At the same time, we will continue to deliver a variety of special events and activities

Community

- Our community museum venues, will have a strong social impact focus and will primarily work to deliver social impact in the communities that they connect with
- Our current funded programmes such Horizon 20:20 and the ICE Project will be integrated into this work stream and we will continue to develop partnerships with partners such as the NHS and within the criminal justice system across Hampshire
- A new post of Community Cultural Experience Manager will work across our museum venues to liaise with the central collections and exhibitions technical teams, ensuring that our local museum displays are rich and engaging
- We will develop a prioritised programme of investment for the refurbishment of our community museums

Culture Hubs

- We will develop a capital investment proposal for Gosport Old Grammar School to become a multi-purpose hub, providing a cultural heritage offer that widens and deepens the range of activity available to local communities. The programme will include improved facilities and will support the development of skills and learning useful to young people in obtaining employment
- Our arts centres will continue to deliver a high-quality, diverse programme of arts activities and performances, as well as classes and workshops designed to have positive impact on people and their local communities
- We will invest in a new box office system for all three of our art centres, as well as dedicated web domains to improve their presence and visibility in the digital environment
- Our flagship gallery programme at Basingstoke and Gosport will continue to deliver exceptional quality and varied exhibitions from our own team, national lenders and local communities
- Wessex Dance Academy will move to a new home, St John's House in Winchester, and will continue its programme of giving confidence and self-esteem to young people through dance

Our Collections

Hampshire Cultural Trust cares for more than 2.5 million objects relating to Hampshire's cultural heritage, from working steam engines to fragile prehistoric artefacts.

Our collections are at the heart of everything we do. We aim to bring their stories to life by providing rich and engaging experiences for our customers. From 2018-19 our collections work will be embedded in our four work streams. This will increase access to the remarkable and nationally important objects that we care for. At the same time, we will maintain our high standards of collections management and stewardship, with our local teams being supported by a central collections management and care team.

A key aim for the future is to increase access to our stored collections. We will do this through a variety of means including our varied public programme, the creation of better managed and more accessible stores, improvements in collections documentation and support to grow collections related skills within the wider team. We will also develop proactive research partnerships with specialist groups and universities and continue to provide access for our dedicated and valued volunteers.

Central Support

We recognise that improved digital systems lead to enhanced customer engagement, operational efficiencies and increased revenue. We have therefore prioritised our digital work stream by investing in digital transformation with priorities for 2018-19 focusing on a new website, a greatly improved box office system at our art centres and rolling out a fit-for-purpose electronic point of sale system for our venues with retail provision. We will also develop our CRM capability and introduce a new staff intranet.

Fundraising is crucial for the Trust as we move towards a financially sustainable business model. In 2018-19, we will continue to focus on a mix of active fundraising, organisational development and systems and processes improvement. The team will complete a fundraising audit, develop a Trust-wide case for support and establish an impact measurement framework. As a relatively new fundraising charity, it is recognised that, while we have had some notable achievements in securing fundraised income to date, it will take time to establish a stable pattern of success. We recognise that investment is needed in this area and will introduce a new post for a Fundraising Director as part of the organisation's restructure.

The Trust recognises and believes that the cultivation of employee and volunteer engagement drives the provision of our customers experience. The people team will strive to enable growth and resilience within the organisation by empowering our staff and volunteers to contribute to the Trust's growth and ambition. We will create and implement systems and processes that support the growth of both the Trust and the individual and provide a sense of purpose, direction and participation in the Trust's future and performance.

We are committed to reducing our environmental impact as much as possible, which means limiting unnecessary consumption, recycling waste and minimising the use of energy, water and natural resources.

Hampshire Cultural Trust
Company number: 08986225

Reference and Administrative Details

Company registered number	08986225
Charity registered number	1158583
Registered office and principal address	Chilcomb House, Chilcomb Lane, Winchester SO23 8RB
Contact details	Chilcomb reception 01962 678140 http://www.hampshireculture.org.uk/
Directors and Trustees (all of whom served throughout the year)	Alan Lovell (Chairman) Rachel Bebb Robert Boyle Douglas Connell Yinnon Ezra Helen Jackson (resigned 3 January 2018) Tracy Osborn Cllr Roy Perry Clare Scheckter (resigned 13 November 2017) Michael Southgate Michael Wright (resigned 13 November 2017)
Chief Executive	Dr Janet Owen (to 1 November 2018) Paul Sapwell (from 1 November 2018)
Auditors	Compass Accountants Limited Venture House, The Tanneries, Titchfield PO14 4AR
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

Structure, governance and management

Constitution

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. The Trust is also registered with the Charities Commission.

The Trust is governed in accordance with its Memorandum and Articles of Association. The Articles of Association were last amended by a special resolution on 11 July 2014. Copies can be obtained from the Company Secretary at the Trust’s registered address.

The Trust operates 18 museums and galleries, three arts centres, and Wessex Dance Academy and Hampshire Wardrobe on behalf of HCC and WCC, and is responsible for managing and curating their museums’ collections.

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.

Appointment of Trustees

Members elected to serve on the Board of Trustees have a dual role as a Trustee of the charity and 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.

Management and decision making

The Board of Trustees is the strategic decision making body of the charity, and is responsible for setting the charity’s objectives and for ensuring they are achieved. 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 on a bi-monthly basis 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.

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 company provisions

This report has been prepared in accordance with the small companies' regime under the Companies Act 2006.

Approved by the Board and signed on its behalf by



Alan Lovell

Chairman

Date: 9 November 2018

Statement of Trustees' responsibilities in relation to the financial statements for the year ended 31 March 2018

The Board of Trustees (who are also Directors of the 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.



Alan Lovell

Chairman

Date: 9 November 2018

Independent auditors' report to the Trustees of Hampshire Cultural Trust

Opinion

We have audited the financial statements of the Hampshire Cultural Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the 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 2018, 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.

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

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 strategic report and 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, 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 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

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

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

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.



Kerry Lawrance FCA
Senior Statutory Auditor
For and on behalf of Compass Accountants, Statutory Auditor

Venture House, The Tanneries
East Street, Titchfield
Hampshire

PO14 4AR

Date: 13 November 2018

Compass Accountants 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)

For the year ended 31 March 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 Total £	Unrestricted funds £	Restricted funds £	2017 Total £
Income from:							
Donations and grants	2	4,327,102	1,507,975	5,835,077	4,012,185	1,326,990	5,339,175
Legacies	3	1,000	-	1,000	-	-	-
Income from charitable activities	4	1,504,110	-	1,504,110	1,268,422	-	1,268,422
Income from other trading activities:							
Income of Trading Company	5	863,071	-	863,071	779,959	-	779,959
Investment income	6	12,402	-	12,402	21,515	-	21,515
Other income	7	101,683	-	101,683	80,669	-	80,669
Total income		<u>6,809,368</u>	<u>1,507,975</u>	<u>8,317,343</u>	<u>6,162,750</u>	<u>1,326,990</u>	<u>7,489,740</u>
Expenditure on:							
Costs of raising funds:							
Fundraising and publicity		57,241	-	57,241	34,083	22,290	56,373
Expenses of Trading Company	5	585,391	-	585,391	600,403	-	600,403
Expenditure on charitable activities	8	5,771,150	1,425,640	7,196,790	5,452,717	1,154,989	6,607,706
Total expenditure		<u>6,413,782</u>	<u>1,425,640</u>	<u>7,839,422</u>	<u>6,087,203</u>	<u>1,177,279</u>	<u>7,264,482</u>
Net income/(expenditure)		395,586	82,335	477,921	75,547	149,711	225,258
Transfer between funds		35,958	(35,958)	-	-	-	-
Net movement in funds		<u>431,544</u>	<u>46,377</u>	<u>477,921</u>	<u>75,547</u>	<u>149,711</u>	<u>225,258</u>
Reconciliation of funds:							
Total funds brought forward		688,173	262,493	950,666	612,626	112,782	725,408
Total funds carried forward		<u>1,119,717</u>	<u>308,870</u>	<u>1,428,587</u>	<u>688,173</u>	<u>262,493</u>	<u>950,666</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 2018**

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Intangible assets	11		2		2
Tangible assets	12		69,187		97,359
			<u>69,189</u>		<u>97,361</u>
Current assets					
Stocks	14	83,461		86,240	
Debtors	15	3,425,373		596,273	
Cash at bank and in hand		1,415,387		1,042,666	
		<u>4,924,221</u>		<u>1,725,179</u>	
Creditors: amounts falling due within one year	16	(3,564,823)		(871,874)	
Net current assets			<u>1,359,398</u>		<u>853,305</u>
Net assets			<u><u>1,428,587</u></u>		<u><u>950,666</u></u>
Funds					
Unrestricted income funds			720,358		484,755
Restricted income funds	18		308,870		262,493
Non Charitable Trading funds			399,359		203,418
Total funds			<u><u>1,428,587</u></u>		<u><u>950,666</u></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 09 November 2018 and signed on its behalf by



AC Lovell
On behalf of the Board of Trustees

Balance Sheet
as at 31 March 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Intangible assets	11		2		2
Tangible assets	12		46,105		77,022
Investments	13		1,000		1,000
			<u>47,107</u>		<u>78,024</u>
Current assets					
Debtors	15	3,381,126		572,038	
Cash at bank and in hand		1,403,318		1,028,025	
		<u>4,784,444</u>		<u>1,600,063</u>	
Creditors: amounts falling due within one year	16	(3,802,323)		(930,839)	
Net current assets			<u>982,121</u>		<u>669,224</u>
Net assets			<u><u>1,029,228</u></u>		<u><u>747,248</u></u>
Funds					
Unrestricted income funds			720,358		484,755
Restricted income funds	18		308,870		262,493
Total funds			<u><u>1,029,228</u></u>		<u><u>747,248</u></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 09 November 2018 and signed on its behalf by



AC Lovell
On behalf of the Board of Trustees

**Consolidated Cash flow statement
for the year ended 31 March 2018**

	Notes	Group 2018 £	Group 2017 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities		403,698	(2,627,313)
Cash flows from investing activities			
Bank interest received		(12,402)	(21,515)
Purchase of fixed assets		(18,575)	(52,398)
Cash used in investing activities		<u>(30,977)</u>	<u>(73,913)</u>
Increase/(Decrease) in cash and cash equivalents in the year		<u>372,721</u>	<u>(2,701,226)</u>
Cash and cash equivalents at the beginning of the year		<u>1,042,666</u>	<u>3,743,892</u>
Total cash and cash equivalents at the end of the year		<u><u>1,415,387</u></u>	<u><u>1,042,666</u></u>

Reconciliation of Changes in Resources to Net Cashflow From Operating Activities

Net income for the reporting period (as per the statement of financial activities)		477,921	225,258
Depreciation	12	46,747	44,108
Investment income and interest received		12,402	21,515
(Increase)/Decrease in stocks	14	2,779	(4,491)
(Increase)/Decrease in debtors	15	(2,829,100)	(201,154)
Increase/(Decrease) in creditors	16	2,692,949	(2,712,549)
Net cash provided by (used in) operating activities		<u><u>403,698</u></u>	<u><u>(2,627,313)</u></u>

Notes to financial statements
for the year ended 31 March 2018

1. Accounting policies

1.1. Charity information

The 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.

The Hampshire Cultural Trust meets the definition of a public benefit entity under section 34 of FRS 102. Assets and liabilities are initially recognised at historical cost or 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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 as receivable by the Trust. No permanent endowments have been received in the year.

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.

There is deferred income of £82,163 which comprises of advanced box office workshops and tickets sales.

1.4. Grants receivable

Revenue grants are credited to incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

1.5. Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered.

Notes to financial statements
for the year ended 31 March 2018

1.6. Basis of allocation

Costs of generating funds comprise costs incurred in encouraging people and organisations to contribute financially to the charity's work.

Charitable expenditure includes expenditure associated with Public Programmes, Collection, Venues, Business Development, and Projects, and includes costs directly attributable to each activity.

1.7. Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures, fittings and equipment - 25% straight line

1.8. Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

1.9. Leased assets

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

1.10. 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 when the company 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.

The Trust's financial assets and liabilities consist of cash and cash equivalents, short term investments, trade debtors, trade creditors and accrued expenses. The fair value of these items approximates their carrying value due to their short term value. Unless otherwise noted, the Trust is not exposed to significant interest, foreign exchange or credit risks arising from these instruments.

Term deposits of less than one year are classified as investments within current assets.

Investments are revalued at the market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

1.11. Termination benefits

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

Notes to financial statements
for the year ended 31 March 2018

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	2018 Total	2017 Total
	£	£	£	£
Hampshire County Council	3,228,275	-	3,228,275	2,911,027
Winchester City Council	389,550	-	389,550	402,194
	<u>3,617,825</u>	<u>-</u>	<u>3,617,825</u>	<u>3,313,221</u>
Other Local Authority grants:				
Basingstoke & Deane Borough Council	208,162	-	208,162	222,410
Fareham Borough Council	64,530	-	64,530	64,530
Gosport Borough Council	60,000	-	60,000	67,500
Eastleigh Borough Council	51,337	-	51,337	55,291
Dorset County Council	50,064	-	50,064	50,064
Christchurch Borough Council	50,064	-	50,064	50,064
Rushmoor Borough Council	44,224	-	44,224	44,224
New Forest District Council	17,000	-	17,000	19,000
East Hampshire District Council	11,000	-	11,000	11,000
Alton Town Council	3,000	-	3,000	-
Bursledon Parish Council	2,672	-	2,672	2,672
Southampton City Council	-	-	-	10,000
	<u>562,053</u>	<u>-</u>	<u>562,053</u>	<u>596,755</u>
Other grants:				
Arts Council England	-	502,691	502,691	422,232
Heritage Lottery Fund	-	249,939	249,939	236,977
Hampshire Futures	-	50,958	50,958	-
Hampshire County Council - Wessex Dance Academy	-	178,049	178,049	47,149
Brighton & Hove Borough Council	-	139,370	139,370	193,527
Paul Hamlyn Foundation	-	87,500	87,500	87,500
Portable Antiquities Scheme - British Museum	-	39,843	39,843	43,803
Artsworld Ltd	-	35,000	35,000	-
Lymington Museum Trust	-	27,680	27,680	78,147
Sussex Partnership NHS Foundation Trust	-	25,000	25,000	-
Armed Forces Covenant Fund	-	20,000	20,000	20,000
Hampshire Adult Services	-	14,143	14,143	-
Coles-Medlock Foundation	-	10,000	10,000	-
Hampshire & IOW CRC	-	8,000	8,000	-
Historic England	-	8,000	8,000	-
Step by Step Partnership Limited	-	6,939	6,939	-
Radian Group Limited	-	5,300	5,300	-
Winchester City Council - Roger Brown model	-	-	-	42,000
Youth Better Life Chances	-	-	-	31,600
Raising Aspirations in Rushmoor	-	-	-	18,061
Tesco - groundwork at Bursledon	-	-	-	10,000
Other grants (less than £5,000)	-	37,063	37,063	68,878
	<u>-</u>	<u>1,445,475</u>	<u>1,445,475</u>	<u>1,299,874</u>
Total grants	<u>4,179,878</u>	<u>1,445,475</u>	<u>5,625,353</u>	<u>5,209,850</u>

Notes to financial statements
for the year ended 31 March 2018

Other donations:

Linsbury Trust	-	25,000	25,000	-
University of Winchester	-	20,000	20,000	20,000
Damon De Laszlo	-	10,000	10,000	-
David and Nadine Collinson	-	7,500	7,500	-
Nicholas Ferguson	7,500	-	7,500	-
Viscount & Viscountess Lymington	5,000	-	5,000	-
Anonymous	5,000	-	5,000	-
Jane Austen Sculpture	-	-	-	40,575
Miscellaneous donations (below £5,000)	109,178	-	109,178	40,162
Ambassador Scheme	15,546	-	15,546	28,588
Total donations	<u>147,224</u>	<u>62,500</u>	<u>209,724</u>	<u>129,325</u>
Total grants and donations	<u>4,327,102</u>	<u>1,507,975</u>	<u>5,835,077</u>	<u>5,339,175</u>

Of the £5,339,175 received in 2016/17, £4,012,185 related to unrestricted funds and £1,326,990 related to restricted funds.

3. Legacies

	Unrestricted funds		Unrestricted funds	
	2018	2017	2018	2017
	£	£	£	£
Vilma Alice Brittain	1,000	1,000	-	-
	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>-</u>

4. Activities for generating funds

	Unrestricted funds		Unrestricted funds	
	2018	2017	2018	2017
	£	£	£	£
Admissions	860,597	860,597	687,051	687,051
Membership fees	12,526	12,526	31,381	31,381
Courses & tuition fees	104	104	39	39
Tickets	234,074	234,074	184,961	184,961
Box office performances	280,485	280,485	224,767	224,767
Box office events	48,655	48,655	72,162	72,162
Booking fees	4,596	4,596	3,960	3,960
General lettings	63,073	63,073	64,101	64,101
	<u>1,504,110</u>	<u>1,504,110</u>	<u>1,268,422</u>	<u>1,268,422</u>

Notes to financial statements
for the year ended 31 March 2018

5. Income and expenses from trading activities of subsidiaries

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

The company transfers its taxable profits to the Hampshire Cultural Trust by way of Gift Aid. A summary of its trading results for the period from 1 April 2017 to 31 March 2018 is shown below. Audited accounts have been filed with Registrar of Companies.

Profit and loss account	2018	2017
	£	£
Turnover	844,316	671,754
Cost of sales	(345,041)	(321,374)
Gross profit	499,275	350,380
Administrative expenses	(240,031)	(280,941)
	259,244	69,439
Other operating income (including a £105,500 grant from the Trust, eliminated on consolidation)	124,255	108,204
Net profit before tax	383,499	177,643
Tax on ordinary activities	(319)	1,914
Net profit after tax	383,180	179,557
Amount gifted to Hampshire Cultural Trust	(187,239)	(73,973)
Retained profit for the period	195,941	105,584
Retained profit brought forward	203,418	97,834
Retained profit carried forward	399,359	203,418
Balance sheet		
Assets	490,473	331,769
Liabilities	(90,114)	(127,351)
Net assets	400,359	204,418
Called up Ordinary Share Capital	1,000	1,000
Profit and loss account	399,359	203,418
Capital and reserves	400,359	204,418

Notes to financial statements
for the year ended 31 March 2018

6. Investment income

	Unrestricted funds £	2018 £	Unrestricted funds £	2017 £
Investment income	12,402	12,402	21,515	21,515
	<u>12,402</u>	<u>12,402</u>	<u>21,515</u>	<u>21,515</u>

7. Other income

	Unrestricted funds £	2018 £	Unrestricted funds £	2017 £
Other income	101,683	101,683	80,669	80,669
	<u>101,683</u>	<u>101,683</u>	<u>80,669</u>	<u>80,669</u>

Other income is primarily from room hire and subletting.

8. Costs of charitable activities - by fund type

	Unrestricted funds £	Restricted funds £	2018 Total £	Unrestricted funds £	Restricted funds £	2017 Total £
Public programmes	322,845	156,780	479,625	233,301	274,002	507,303
Collections	537,945	52,250	590,195	601,194	38,543	639,737
Venues	2,323,986	228,168	2,552,154	2,294,141	10,000	2,304,141
Business development	1,602,892	669,900	2,272,792	1,693,199	193,527	1,886,726
Projects	983,482	318,542	1,302,024	630,882	638,917	1,269,799
	<u>5,771,150</u>	<u>1,425,640</u>	<u>7,196,790</u>	<u>5,452,717</u>	<u>1,154,989</u>	<u>6,607,706</u>

In the above Business Development includes the costs of central functions such as marketing, finance, HR & IT as well as the senior management team and grant-funded Museums Development Programme. Projects includes the costs of the Trust's Better Life Chances programmes, major museum refurbishment and planning for future cultural investments in Winchester and exhibitions and development of the Flagship Galleries Network.

9. Auditors' remuneration

	2018 £	2017 £
Auditors' remuneration - audit of the financial statements	<u>7,300</u>	<u>10,250</u>
Auditors' remuneration - other fees: Preparation of accounts	<u>4,000</u>	<u>4,000</u>

Notes to financial statements
for the year ended 31 March 2018

10. Employees

	2018	2017
	£	£
Employment costs		
Wages and salaries	3,283,553	3,338,993
Redundancy payments	460,884	29,341
Social security costs	285,893	277,121
Pension costs	356,494	333,114
	<u>4,386,824</u>	<u>3,978,569</u>

Key management personnel

Employee benefits received by key management personnel totalled £377,019 for the year to 31 March 2018 (2017: £246,824).

The key management personnel in the year were the Chief Executive, Chief Operating Office, Director of Finance and Director of Marketing and Digital Engagement.

Higher paid employees

The number of employees who earned more than £60,000 during the year were as follows:

	2018	2017
£60,001 to £70,000	1	1
£70,001 to £80,000	2	1
	<u>3</u>	<u>2</u>

The number of higher paid employees accruing pension benefit during the year was as follows:

	2018	2017
Defined benefits scheme	2	2
	<u>2</u>	<u>2</u>

The total contributions paid by the charity into the defined benefits scheme for higher paid employees was £22,502 (2017: £15,632).

Number of employees

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

	2018	2017
Cost of generating funds	2	2
Charitable expenditure	212	212
	<u>214</u>	<u>214</u>

During the financial year 10 redundancies were identified within the group and contractual/redundancy costs of £155,913 were paid (2017: £29,341). A further £41,328 was accrued at 31 March 2018. In addition to the redundancy costs, early retirement charges of £263,643 due to be paid to the Hampshire Pension Fund were accrued at 31 March 2018. It was anticipated in the Management and Funding Agreement on creation of the Trust that restructuring costs may be required; the costs related to transferring employees were largely reimbursed by the founding partners.

No Trustees received remuneration during the period. One Trustee was reimbursed £309 (2017: £441) for travelling expenses.

Notes to financial statements
for the year ended 31 March 2018

11. Intangible fixed assets

	Intellectual property £	Total £
Cost		
At 1 April 2017 and At 31 March 2018	2	2
Net book values		
At 31 March 2018	2	2
At 31 March 2017	2	2

12. Tangible fixed assets

<u>Group</u>	Plant and Machinery £	Computer Equipment £	Fixtures & Fittings £	Total £
Cost				
At 1 April 2017	4,300	17,583	152,311	174,194
Additions	-	-	18,575	18,575
At 31 March 2018	4,300	17,583	170,886	192,769
Depreciation				
At 1 April 2017	2,150	11,710	62,975	76,835
Charge for the year	1,075	5,855	39,817	46,747
At 31 March 2018	3,225	17,565	102,792	123,582
Net book values				
At 31 March 2018	1,075	18	68,094	69,187
At 31 March 2017	2,150	5,873	89,336	97,359
 <u>Trust</u>			Fixtures & Fittings £	Total £
Cost				
At 1 April 2017			134,719	134,719
Additions			4,830	4,830
At 31 March 2018			139,549	139,549
Depreciation				
At 1 April 2017			57,697	57,697
Charge for the year			35,747	35,747
At 31 March 2018			93,444	93,444
Net book values				
At 31 March 2018			46,105	46,105
At 31 March 2017			77,022	77,022

Notes to financial statements
for the year ended 31 March 2018

13. Fixed asset investments

<u>Trust</u>	Unlisted £	Total £
Market value or cost at 1 April 2017 and 31 March 2018	1,000	1,000
Historic cost at 1 April 2017 and 31 March 2018	1,000	1,000

Unlisted investments represents 100% of the issued share capital of Hampshire Cultural Trust Trading Limited, a company registered in England and Wales. The company registration number for Hampshire Cultural Trust Trading Limited is 09257219.

14. Stocks

	2018		2017	
	Charity £	Group £	Charity £	Group £
The amounts attributable to the different categories are as follows:				
Goods for resale	-	83,461	-	86,240
	-	83,461	-	86,240

15. Debtors

	2018		2017	
	Charity £	Group £	Charity £	Group £
Amounts due within 1 year:				
Trade debtors	652,561	691,353	254,143	275,055
Accrued income	109,581	109,581	250,082	250,082
Other debtors and prepayments	2,618,984	2,624,439	67,813	71,136
	3,381,126	3,425,373	572,038	596,273

16. Creditors: amounts falling due within one year

	2018		2017	
	Charity £	Group £	Charity £	Group £
Trade creditors	243,009	283,899	345,260	383,829
Other taxes and social security	121,524	143,917	70,566	81,804
Other creditors and accruals	3,046,279	3,054,844	251,046	328,590
Deferred income	82,163	82,163	77,651	77,651
Intercompany account	309,348	-	186,316	-
	3,802,323	3,564,823	930,839	871,874

In March 2018 an invoice was raised to Hampshire County Council for the 2018/19 grant funding of £2,565,688. This has been deferred and is included within other debtors and other creditors in the above notes. The grant funding will be received during 2018/19.

Notes to financial statements
for the year ended 31 March 2018

17. Analysis of net assets between funds

Group

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2018 as represented by:			
Intangible fixed assets	2	-	2
Tangible fixed assets	69,187	-	69,187
Current assets	4,615,351	308,870	4,924,221
Current liabilities	(3,564,823)	-	(3,564,823)
	<u>1,119,717</u>	<u>308,870</u>	<u>1,428,587</u>

Charity

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2018 as represented by:			
Intangible fixed assets	2	-	2
Tangible fixed assets	46,105	-	46,105
Investment assets	1,000	-	1,000
Current assets	4,475,574	308,870	4,784,444
Current liabilities	(3,802,323)	-	(3,802,323)
	<u>720,358</u>	<u>308,870</u>	<u>1,029,228</u>

Notes to financial statements
for the year ended 31 March 2018

18. Restricted funds

	1 April 2017	Incoming	Outgoing	Transfers	31 March 2018
	£	£	£	£	£
Childhood Legacy Collection	90,000	-	-	-	90,000
Hampshire County Council re Wolfson Trust	22,782	-	-	-	22,782
Hampshire County Council	3,920	-	3,920	-	-
Southampton City Council	3,920	-	3,920	-	-
Basingstoke & Deane Borough Council	3,920	-	3,920	-	-
Brighton & Hove Borough Council	-	139,370	139,370	-	-
Heritage Lottery Fund	51,600	244,939	259,622	-	36,917
Heritage Lottery Fund - Young Roots, Gosport	-	-	-	15,000	15,000
Arts Council England	2,545	502,691	485,187	-	20,049
Paul Hamlyn Foundation	52,085	87,500	76,012	-	63,573
Armed Forces Covenant Fund	4,500	-	4,500	-	-
Youth Better Life Chances	6,000	-	6,000	-	-
Portable Antiquities Scheme	5,660	39,843	45,503	-	-
Wessex Dance Academy					
Hampshire County Council	-	183,049	183,049	-	-
Damon de Laszlo	-	10,000	-	-	10,000
David and Nadine Collinson	-	7,500	-	-	7,500
Hampshire Futures	-	50,958	-	(50,958)	-
ICE Project fund					
Artswork	-	35,000	35,000	-	-
Sussex Partnership NHS Foundation Trust	-	25,000	10,000	-	15,000
Coles-Medlock Foundation	-	10,000	10,000	-	-
Lymington Museum Trust	-	27,680	27,680	-	-
Jane Austen Sculpture	-	25,000	25,000	-	-
Ministry of Defence – 100 Thank Yous	-	20,000	10,000	-	10,000
University of Winchester	-	20,000	20,000	-	-
Hampshire Adult Services	-	14,143	14,143	-	-
Hampshire & Isle of Wight CRC	-	8,000	8,000	-	-
Historic England publication project	-	8,000	6,036	-	1,964
Step by Step Partnership Limited	-	6,939	6,939	-	-
Radian Group Limited	-	5,300	1,125	-	4,175
Other grants (below £5,000)	15,561	37,063	40,714	-	11,910
	<u>262,493</u>	<u>1,507,975</u>	<u>1,425,640</u>	<u>(35,958)</u>	<u>308,870</u>

The Childhood Legacy Collection represents a bequest from the late Mr William Simpson for the maintenance and upkeep of the childhood collection at Milestones Museum.

The grant from Hampshire County Council is their contribution to the refurbishment of the Roger Brown model which is exhibited at the Winchester City Museum.

The grant from Hampshire County Council is their contribution towards the Winchester, The Royal City project.

The Southampton City Council grant relates to a contribution in respect of the areas within Arts Council England Museum Resilience Fund 2 programme where Hampshire Cultural Trust is the resourcing lead.

Brighton & Hove Borough Council awarded the Arts Council's South East Museums Development Consortia through the Royal Pavilion and Museums, a grant to run Museum Development for the South East region.

The Heritage Lottery grants represent grants relating to the HLF Catalyst project, a contribution to the Westbury Manor Refurbishment project and grants for community projects at Basing House and in New Milton

Notes to financial statements
for the year ended 31 March 2018

Arts Council grants represent grants for the ACE Kick Start £286K and the Better Life Chances DFE and Reaching out programmes. We have also received £137K via Southampton in relation to the ACE Museum Resilience Fund 2 Programme where HCT is the Resourcing Lead

The Grant from the Paul Hamlyn Foundation relates to a grant received as part of the Education and Learning Through the Arts Fund supporting the Horizon 20:20 project.

The amounts received in relation to the Better Life Chances Youth projects relate to grants received from Wet Picnic Limited, Hampshire Futures, Artswork, The Police and Crime Commission and Sussex Partnership NHS.

The Portable Antiquities Scheme relates to a grant received from the British Museum. The Portable Antiquities Scheme is a scheme for the recording of archaeological objects found by members of the public. The scheme was established to promote the recording of chance finds and to broaden public awareness of the importance of such objects for understanding our past.

The Wessex Dance Academy grant relates to a rebate from HCC in relation to expenses incurred running the Wessex Dance Academy through 17-18 in addition to donations from the De Lazlo Foundation and David Collinson.

Hampshire County Council funding is from the Adult and Community Learning Programme. Payment by result in that Grant Funding is awarded once agreed learner numbers target is met. This relates to activity across FY15-16 & FY16-17.

The grants from Artswork, NHS Sussex Partnership, and Coles-Medlock Foundation are the grants for Year 1 of The ICE Project, a project in partnership with Hampshire CAMHS working with young people with mental health issues.

Lymington Museum Trust supports St Barbe Museum and Gallery.

The Jane Austen sculpture income relates to donations received from funders for the Jane Austen Statue project as part of Jane Austen 200. The statue was completed in the financial year 2017/18.

The MoD grant relates to a Grant from the Ministry of Defence for the '100 Thank Yous' project.

The donation from the University of Winchester is the contribution to the Winchester, The Royal City project.

Funding received from Hampshire Adult Services is for the Cultural Pathways project to support Adults with learning difficulties into Employment.

Small projects include the following:

Hampshire & IOW Community and Rehabilitation Company grant was received for a drama programme working with women on probation.

Historic England support the Winchester Archaeological Publications

Step by Step Partnership provided funding to support a music project run for vulnerable young people in Aldershot.

Radian Group Limited contributed towards the Heritage Lottery Community Cohesion project in Whitehill and Bordon.

Notes to financial statements
for the year ended 31 March 2018

19. Commitments and contingent liabilities

Neither the Trust or group had any capital commitments or contingent liabilities at 31 March 2018.

20. Other related party transactions

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

21. 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 as at 31 March 2018.

22. Ultimate controlling party

The ultimate controlling party is the Board of Trustees.

Hampshire Cultural Trust
Company number: 08986225

The following pages do not form part of the statutory accounts.

Statement of financial activities (Charity only)

For the year ended 31 March 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 Total £	Unrestricted funds £	Restricted funds £	2017 Total £
Income from:							
Donations and grants	2	4,327,102	1,507,975	5,835,077	4,012,185	1,323,615	5,335,800
Legacies	5	1,000	-	1,000	-	-	-
Gift aid from trading subsidiary		187,239	-	187,239	73,972	-	73,972
Income from charitable activities	3	1,504,110	-	1,504,110	1,268,422	-	1,268,422
Investment income	6	12,402	-	12,402	21,515	-	21,515
Other income	7	101,683	-	101,683	80,669	-	80,669
Total income		<u>6,133,536</u>	<u>1,507,975</u>	<u>7,641,511</u>	<u>5,456,763</u>	<u>1,323,615</u>	<u>6,780,378</u>
Expenditure on:							
Costs of raising funds:							
Fundraising and publicity		57,241	-	57,241	34,083	22,290	56,373
Expenditure on charitable activities	8	5,771,150	1,425,640	7,196,790	5,452,717	1,151,614	6,604,331
Grant to trading subsidiary		105,500	-	105,500	-	-	-
Total expenditure		<u>5,933,891</u>	<u>1,425,640</u>	<u>7,359,531</u>	<u>5,486,800</u>	<u>1,173,904</u>	<u>6,660,704</u>
Net income/(expenditure)		199,645	82,335	281,980	(30,037)	149,711	119,674
Transfer between funds		35,958	(35,958)	-	-	-	-
Net movement in funds		235,603	46,377	281,980	(30,037)	149,711	119,674
Reconciliation of funds:							
Total funds brought forward		484,755	262,493	747,248	514,792	112,782	627,574
Total funds carried forward		<u>720,358</u>	<u>308,870</u>	<u>1,029,228</u>	<u>484,755</u>	<u>262,493</u>	<u>747,248</u>

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

All transactions are derived from continuing activities.