

culturatrust

(formerly North of England Civic Trust)

(a charitable company limited by guarantee)

Annual Report for the year ended 31 March 2020

Registered Company Number: 01654806

Registered Charity Number in England & Wales: 513055

Registered Charity Number in Scotland: SC050330

Cultura Trust
(a charitable company limited by guarantee)

Annual Report

for the year ended 31 March 2020

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Reference and administrative details

Charity number

- in England & Wales: 513055
- in Scotland: SC050330

Company number: 01654806

Registered office: The Rivergreen Centre, St Mary's Park, Stannington, Northumberland NE61 6BL

Our advisors

Independent auditors: UNW LLP, Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE

Bankers: Unity Trust Bank plc, Nine Brindley Place, Birmingham, B1 4JE

Solicitors: Sintons LLP, The Cube, Barrack Road, Newcastle upon Tyne, NE4 6DB

Directors and trustees

The directors of the charity are its trustees for the purpose of charity law. The trustees and senior management serving at any time during the year and those since the year end were as follows:

Trustees

Mr A Banford

Mr P Bromley

Mr P Candler DL (Chairman)

Ms B Gubbins (Resigned 14 April 2020)

Mr T Haak (Appointed 1 May 2020)

Ms D Jenkins

Ms C MacKenzie (Deputy Chair)

Mr M Moody (Resigned 30 April 2019)

Mr C Mullin

Prof R Pickard (Resigned 20 January 2020)

Mr B Speker OBE DL

Senior management

Graham Bell Director

Richard Beattie Finance Manager

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Trustees' report for the year ended 31 March 2020

The trustees present their report and accounts for the year ended 31 March 2020. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and Activities

The objects of the charity, as set out in its memorandum and articles, are to promote a high standard of planning and architecture in or affecting the area of benefit, to educate the public in the geography, history, natural history and architecture, and to secure the preservation, protection, development and improvement of buildings and other features of historic architecture or public interest in the area of benefit.

The charitable company's objectives are to provide independent professional advice and services in the public interest, working towards improvement of, and appreciation for the environment of the North of England (in these circumstances being defined as the North East of England, North Yorkshire and Cumbria) including the acquisition, restoration and beneficial re-use of historic buildings. As far as possible, all activities are undertaken in partnership, often bringing together public bodies and community groups.

The Trust continues to combine consultancy with the development of historic property. During this financial year the Trust has provided advice on a number of problematic sites across its area of operation, as set out below.

Activities during the year continued to cover all aspects of the Trust's diverse roles, including conservation area character appraisals, conservation plans, feasibility studies, options appraisals, skill training and community development assistance. The Trust has successfully continued to deliver a wide range of services and projects in accordance with its aims and objectives.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. All work undertaken by the Trust seeks to offer public benefit, either through improvement or protection of local built environment, contribution to heritage led regeneration, access to skill training or capacity building of skills within local communities.

Volunteers

The Trust is very involved in local communities and occasionally relies upon volunteers. The number of volunteers involved in some projects can vary from an individual working on a specific task such as archiving up to three dozen or more involved in a project, for which we wish to record our thanks to them for helping us achieve even more in our charitable aims.

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Trustees' report for the year ended 31 March 2020 (continued)

Achievements and Performance

This report is written as the operating environment for the Trust enters a period of national uncertainty caused by the COVID-19 pandemic. It will be a test for all aspects of society, including the cultural heritage sector which is inherently a participatory social activity in its creation and enjoyment – the tangible heritage of places, buildings and collections, and the intangible heritage of traditions, skills, events and stories, all of which have shaped the Trust over its 55 years.

What seemed in early 2017 like a common sense opportunity to undertake a review of the Trust – what it is, what it does, how, where and for whom – the Resilient Heritage exercise supported by the National Lottery Heritage Fund has proven to be prophetic.

The Trust adopted its comprehensive new Forward Plan in January 2019 and was encouraged in March 2019 when the Heritage Lottery Fund was relaunched as the National Lottery Heritage Fund that our visions aligned: an increasing emphasis on the benefits of cultural heritage. It was on 30 March 2019 that the Trust changed its name from North of England Civic Trust (emphasis on its past roots and geographical origins) to Cultura Trust (emphasis on its essential values).

During the course of the year the Trust began to implement its Forward Plan – not a plan to perpetuate its past or maintain its status quo, but to be relevant and meaningful to a society more informed and demanding, especially on the benefits of cultural heritage to global, national and local agendas such as climate, wellbeing and employability. The Trust has always been defined by leading through demonstration projects, so the Forward Plan had to exemplify its values through the evidence of its actions.

The Trust relocated to a low-carbon new office near Morpeth in Northumberland, thereby reducing staff travel and their carbon footprint. Decentralising the operation leads to a more visible, accessible, responsive, engaged and cost-effective project/site-based model consistent with a policy of climate responsibility and the United Nations' Sustainable Development Goals. This may seem at first a long way from the local level civil society roots of the Trust in the 1960s, but the reality is that cultural heritage is both vulnerable to, and needs to contribute to, the imperatives of society to preserve all that is of value, whether it is landscapes, townscapes or traditions. Across Europe, over one third of buildings are 'historic' – over 50 years old – built to standards that can lead to energy poverty when prohibitively expensive to heat, and which waste energy that could be better invested in care and maintenance.

The Trust was innovative in bringing Gayle Mill back into use in 2008 as a hydro-powered working mill, augmented by a new turbine to generate hydro-electric power for use onsite and Feed In Tariffs by supplying the national grid, and a biomass heating system. It was a model of what now would be hailed as a 'circular economy' by reusing offcut waste to heat the building, offer education and training as investment in local labour, and service the local economy. That model has been followed and further enhanced by the Trust during this year by the restoration of the cornmill at Warwick Bridge, launching its first ever social investment share issue that helped create a new Community Benefit Society to run the mill. As the financial year was ending, the mill was just commencing to mill and sell flour produced from its refurbished 150-year-old millstones – this during the early peak of the pandemic: the 'community feeding the community' at a time

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Trustees' report for the year ended 31 March 2020 (continued)

when the supermarket shelves were bare. Simultaneously, and encouraged by expertise gained on these projects, the Trust continued to develop its plans for Camp Farm at Maryport, the distinctive value of which to the local and international World Heritage community will be an emphasis on inclusive learning for all needs and abilities, from therapeutic and social farming to accredited training, using every aspect of the farm: agriculture, landscape, horticulture, archaeology, historic buildings, renewable energy, sustainable development.

It is 'sustainable development' that has been the Trust's DNA genealogy since the 1960s when set up by Harold Evans, taking it through the formation of its building preservation trust in the 1980s, and the award winning Heritage Skills Initiative begun in the 2000s, responding to strategic issues through actions either directly through Trust projects or by sharing and supporting other organisations in the public interest. This characteristic role as mentor and project manager has continued, informed by the realities of the Trust's own projects when taken right through from options and feasibility, governance and resourcing, funding, contract procurement and asset management.

The Trust continued its co-ordinating role in support of trustees of the almshouses for retired mariners at Trafalgar Square in Sunderland on their £2m+ refurbishment, which led to advice for their counterparts at the grade I Sir William Turner Almshouses, Kirkleatham. It continued its brokering role to find consensus in enhanced visitor and community benefits of the under-appreciated castle at Barnard Castle. One of the first conservation management commissions for the Trust under the current director was for a comprehensive 'what goes where' grant-aided repair guide for Midland Railway properties along the Settle to Carlisle Railway, so it has been a homecoming to revisit it with Carlisle City Council for conservation area considerations, and to explore with a local group how Carlisle's unsung railway history can be experienced, especially for the European Year of Rail 2021. The principles and expertise of all this have converged in proposals for a 'sensory harbour' at Whitehaven in which the operational and experiential characteristics of an historic port can be developed, exploring the port's intrinsic function based on orientation, environment, climate, navigation – seen (lighthouses) and unseen (radio, GPS). This extends the Trust's longstanding support for maritime heritage into meaningful benefits for new audiences, including those with sensory impairments.

Sustainability in all of the above relies on improving understanding, fuelled by effective learning opportunities. The Trust hosted its 'PRO-Heritage' Horizon 2020 European project partners for a week-long programme of study visits to meet heritage managers at properties it manages, and others managed by National Trust, English Heritage and Historic Environment Scotland. The Trust has begun working with Historic Environment Scotland, and so showcasing the exemplary digital and traditional skills training centre at The Engine Shed in Stirling was timely and is likely to lead to collaboration within the UK and Europe.

The Trust's European work is benefitting from the name change and associated sense of being open for business and collaboration at a European level. Involvement in the European Federation for Architectural Heritage Skills led to funding to work with another exemplary centre of learning, this time in traditional stonemasonry: the Klesarska Škola, Pučišća, on the island of Brač in Croatia. This illustrious school, which for over a century has included projects from the parliament in Budapest to The White House in Washington D.C., has become vulnerable since the break-up of Yugoslavia: young people no longer strive to learn the

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Trustees' report for the year ended 31 March 2020 (continued)

skilled trade of stonemasonry, preferring I.T. professions. The Trust is working to help with increased access to digital training and business planning. It was symbolic of the vulnerability and essential necessity of these skills that the Trust's director visited Zagreb in December to see the school's extraordinary work on the cathedral, only to share in the shock news of an earthquake on 22 March 2020 during the COVID-19 lockdown, combining two natural disasters, causing part of one of the towers of the cathedral to collapse.

Being the UK National Co-ordinator for European Year of Cultural Heritage 2018 provided ample evidence of the value of sharing how cultural heritage transcends and enriches us all. As Brexit nears, unlike economic and political uncertainty, the ability of cultural heritage to support tourism and wellbeing will continue. The director's board membership of Europa Nostra and, through that, various responsibilities for the European Green Deal and digital cultural heritage plus representation on the Climate Heritage Network, as well as membership of the Europeana Network Association, all keep the Trust 'plugged in' to the most influential networks and being most effective in how to translate its UK strategic influence into its projects and activities.

During the year, the decennial Pilgrimage of Hadrian's Wall took place in which the Trust shared in hosting a visit to Camp Farm by participants from around the world. It was a poignant moment to reflect on how much the Trust has changed in the ten years since the last pilgrimage and how the Trust is in its way remaining fit for purpose during a period of considerable change in the UK.

Financial Review

Full details of income and expenditure for the year are set out in the Statement of Financial Activities set out on page 12.

The operating surplus for the year to March 2020 of £5k reflected another tough but stable year for the Trust. Reducing the staff base and the near completion of the capital works at Warwick Bridge have resulted in a fall in revenue, balanced by a reduction in costs.

Going concern

The year ended with uncertainty for future income streams due to Covid-19. However, the Trust made good use of the availability in emergency grant awards and government support schemes. The year-end cash position was reasonably strong and these sums together with the balance of sums already ring fenced for third parties meant that the overall cash position was strong. The net restricted funds of £nil held at the year-end amounted to £75,122 of cash offset by £75,122 of other creditors. The trading position has made the core cash position tough during the year, however secured grants in the foreseeable future, together with close monitoring of the cash position does provide a cautiously optimistic outlook. The Architectural Heritage Fund has remained supportive, extending the terms of the outstanding loan to review in 2021. The trustees are therefore satisfied that the trust will remain able to meet its liabilities as they fall due.

Reserves

The charity holds both restricted and unrestricted reserves and aims to match funding to expenditure before significant costs are incurred. The trustees seek to keep a minimum of 13 weeks running costs (around £12k)

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Trustees' report for the year ended 31 March 2020 (continued)

and a maximum of one years running costs as free reserves (i.e. not tied up in fixed assets). Total reserves of £1,647k include amounts tied up in fixed assets of £1,782k, leaving unrestricted free reserves at 31st March in deficit of £134k. This deficit includes the loan of £225k taken to purchase the corn mill at Warwick Bridge. The repayment of the loan has been extended due to the effect that the global pandemic has had on the worlds' economy. Refinancing of the loan is due to be held in early 2021. The Trust expects that any refinancing options will be suitable for the repayment of the loan over an extended period. The Trust continues to work to improve its cost recovery on charitable activities that will allow it to build reserves to desired levels over the coming year.

Investments

The investment powers are set out in the company's governing document. The charity holds investments with a view to generating income streams. The Trust's long-term strategy is to use its capacity to develop historic property to build a portfolio of investment assets, generating income from a mix of lettings and sales, which will contribute to the Trust's core operational costs and purposes.

Risk assessment

The main risks faced by the Trust in its day to day operations are set out below. Risks are also assessed by project, and the risk score used to guide decision making and delegation of decision making within the Trust. Risks are further mitigated by the process of review and scrutiny by the board in advance of projects being undertaken.

The trustees consider the major risks to which the charity is exposed are:-

Risk	Anticipated outcome from risk	Controls
Property risk		
That Trust property, held as a Heritage Asset under the protection of the Trust, is damaged	Trust is liable to repair damage	Insurance cover in place.
That a member of the public is injured on Trust property	Trust is liable for compensation	Trust maintains public liability insurance. Tenants of properties responsible for public safety, and so any claim would be against them in the first instance.
That the design of a renovation project is defective	Trust is liable to incur financial cost in putting right the defect caused	Trust uses professional teams with a proven track record of similar projects, and works in partnership with users/funders/statutory bodies throughout the design phase. All sub-contracted staff must provide evidence of Professional Indemnity Insurance and contracts are subject to a defects liability period.
Funding risk		
Projects may overrun, incurring excessive staff time for which income cannot be recovered, or may involve expenditure not anticipated at the	Project results in financial cost to the Trust	Individual larger projects are subject to individual risk assessment at inception, and are monitored throughout the life of the project.

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start but required to deliver the outcome		"Normal" consultancy subject to management controls monitoring spend and progress.
Outcomes on projects may not be met	Grants awarded may be clawed back by funders	Assessed individually (see above) to ensure outcomes are realistic to project.
Staff		
Key staff leave the Trust	Trust unable to fulfil commitments, or generate new work	All projects have a second member of staff assigned to them to ensure continuity. Annual appraisal process and staff away day seeks to involve staff in direction, thus making the Trust a good place to work.
Staff employed may not be fully utilised on income generating work	Income generated does not cover operating costs of Trust	Staff plan determined by management (at least) 3 months ahead. Underutilised staff are redeployed where possible onto alternative chargeable work. Gaps in the plan trigger increased business development.
Actions of staff may be detrimental to Trust	Reputation of Trust is damaged by either public actions of staff or by sub-standard work being submitted to clients	Staff are aware of expected code of conduct on Trust business, and disciplinary procedures are included in all staff contracts. Reports are subject to Quality Control review by any of the Directors before being sent out to clients. The Trust carries Professional Indemnity Insurance as a protection against action by clients.

Plans for future periods

There was a period of uncertainty at the beginning of the new financial year due to the perceived impact of Covid-19. The Trust took advantage of the government job support scheme and made applications for emergency funding from various organisations. It was successful in obtaining sufficient grants to help cover core costs and enable emergency repairs to commence at some of its properties. Receipt of these funds have raised the funds held by the Trust at the end of October to £100k.

During 2020/21 the Trust aims to:

- Respond to market conditions to seek to retain expertise in-house as conditions within planning and conservation local authority services change;
- Develop projects to engage with the social history within communities;
- Develop increased web presence linked to social media;
- Having registered as a charity in Scotland identify and take new opportunities in that area;
- Build reserves and improve financial performance;
- Engage in emergency repairs at both Camp farm and Gayle Mill and start to build both properties back to visitor and local community use.

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Trustees' report for the year ended 31 March 2020 (continued)

Structure, Governance and Management

The company, which is incorporated in England, is governed by its memorandum and articles of association. It is also a registered charity. The operation of the company is overseen by the board of trustees.

Trustees

The trustees of the charity are also directors of the company as defined in the Companies Act 2006 and are listed above. They are appointed to the board either by invitation following nomination, or in response to public invitation to ensure a good range of geographical representation, skill and experience. Prospective trustees are interviewed before an offer of appointment is made. Induction of new trustees provides a thorough introduction to the Trust through meetings with the directors and staff, and a review of governing documents, business plan, budget and programme of work.

There has been no formal trustee training undertaken during the year, although the board continue to review the skills represented and continue to recruit new members accordingly.

The board normally meet quarterly and there is a sub-committee covering audit and remuneration that meets twice during the year. A scheme of delegation approved by trustees in December 2000 delegates day-to-day operational decisions to the Trust's director and senior management within a risk management framework as agreed with the board.

None of the trustees receives remuneration or other benefits from their work with the charity. Any future payments to any trustee for specific services will be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party.

Trustees' responsibilities in relation to the financial statements

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

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the

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assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Qualifying third party indemnity provision

A qualifying third party indemnity provision has been in place for the benefit of the directors both during the financial year and at the date of approval of this report.

Provision of information to auditors

So far as each director is aware, there is no relevant audit information of which the charity's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

On behalf of the Board



C MacKenzie
Deputy Chair
6th November 2020

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Independent auditor's report to the members of Cultura Trust

Opinion

We have audited the financial statements of Cultura Trust for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet and the related notes, 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 FRS 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 charitable company's affairs as at 31 March 2020 and of its 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 of 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 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.

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Independent auditor's report to the members of Cultura Trust (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the 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.

Opinion 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 for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remunerations specified by law 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' exemptions in preparing the trustees report.

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Independent auditor's report to the members of Cultura Trust (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement on page 7, 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 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 charitable company's or to cease operations, or have no realistic alternative but to do so.

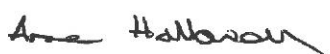
Auditor's responsibilities for the audit of the financial statements

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. The description forms part of our auditor's report.

Who are we reporting to

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. Our audit work has been undertaken so that we might state to the charitable company's members 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)

For and on behalf of UNW LLP (Statutory Auditor)

Chartered Accountants & Statutory Auditor

Newcastle upon Tyne

NE1 4JE

6th November 2020

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Statement of financial activities (including income and expenditure account) for the year ended 31 March 2020

	Notes	Unrestricted funds	Restricted funds	Total 2020	Total 2019
		£	£	£	£
Income and endowment from:					
Charitable activities	1	171,194	554,765	725,959	1,119,360
Investments		36,114	-	36,114	42,171
Other		9,945	-	9,945	10,238
Total		217,253	554,765	772,018	1,171,769
Expenditure on:					
Charitable activities	2	211,426	554,765	766,191	1,170,729
Total		211,426	554,765	766,191	1,170,729
Net income/ (expenditure)		5,827	-	5,827	1,040
Revaluation of heritage assets		-	-	-	160,668
Revaluation of investment property		-	-	-	(514,998)
Net movement in funds		-	-	-	(353,290)
Reconciliation of funds					
Funds brought forward at 1 April		1,641,670	-	1,641,670	1,994,960
Fund balances carried forward	12	1,647,497	-	1,647,497	1,641,670

The charity had no recognised gains and losses other than those noted above. All operations are continuing.

There is no difference between the reported result for the year stated above and its historical cost equivalents.

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Balance sheet as at 31 March 2020

	Note	2020 £	2020 £	2019 £	2019 £
Tangible fixed assets	5		1,699		2,600
Heritage Assets	6		1,530,000		1,530,000
Investments	8		250,002		250,002
Current assets					
Debtors due after 1 year	9	14,845		16,259	
Debtors due within 1 year	9	140,255		276,463	
Cash at bank and in hand		117,744		220,976	
Total current assets		272,844		513,698	
Creditors: amounts falling due within one year	10	(407,048)		(654,630)	
Net current liabilities			(134,204)		(140,932)
Total assets less current liabilities			1,647,497		1,641,670
Net assets			1,647,497		1,641,670
Funds					
Restricted funds	11		-		-
Unrestricted funds					
Revaluation reserve	11	466,256		466,256	
General reserve	11	1,181,241		1,175,414	
Total unrestricted funds			1,647,497		1,641,670
Total funds			1,647,497		1,641,670

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The financial statements on pages x to z were approved by the board of Trustees on 6th November 2020 and were signed on their behalf by:



C MacKenzie, Deputy Chair
 Company Number 01654806

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Statement of cash flows

	Note	2020 £	2019 £
Net cash provided by (used in) operating activities	12	(137,306)	(222,004)
Cash flow from investing activities:			
Dividends, interest and rents from investments		34,074	42,170
Net cash provided by (used in) investing activities		34,074	42,170
Cash flows from financing activities:			
Cash inflow from new borrowing		-	89,503
Net cash provided by (used in) financing activities		-	89,503
Change in cash equivalents in the reporting period		(103,232)	(90,331)
Cash and cash equivalents at the beginning of the reporting period		220,976	311,307
Cash and cash equivalents at the end of the reporting period		117,744	220,976

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Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of heritage assets and investments which are included at market value. 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 (FRS102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The accounts are presented in £ sterling, which is considered to be the functional currency, and are rounded to the nearest £.

Cultura Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policies below.

Going concern

Since the year end the global pandemic has impacted on the work of the trust and some of its income streams. However, the year end cash position was strong, and the Trust has been able to utilise some of the available government support, including small business grants and the job retention scheme. Discussions have been ongoing with the Architectural Heritage Fund regarding the outstanding loan for Warwick Bridge Corn Mill which is now due for repayment in 2021, subject to the Trust being able to refinance over a longer term. The trustees have reviewed the budgets and forecasts through to Dec 2021, alongside the expected pipeline of future projects and after appropriate enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Income

Donations and core grants receivable are accounted for when received or when receipt is probable. Investment income is included when receivable.

Consultancy income

Income represents amounts chargeable to clients for services provided during the year excluding VAT. Income is recognised when a right to consideration has been obtained through performance under each contract. Consideration accrues as contract activity progresses by reference to the value of work performed. Income is not recognised where the right to receive payment is contingent on events outside the control of the charity.

Unbilled income is included in debtors as accrued income. Amounts billed on account in excess of the amounts recognised as income are included in creditors.

Long term capital projects

Expenditure in respect of renovation and refurbishment of historic buildings is charged to the statement of financial activities in the period in which the expenditure is incurred, on an accruals basis and is not capitalised.

Cultura Trust

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Accounting policies (continued)

Support costs

Support costs represent indirect costs attributed to the charitable activities of the Trust. Staff costs are allocated between different charitable activities in accordance with the time spent on each activity. Support costs include audit fees and the cost of trustees meetings.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Assets costing under £200 are not capitalised.

Depreciation is provided at rates calculated to write off the cost of each asset, less estimated residual values, over its expected useful life as follows:

Furniture, fittings and equipment	-	25% - 33%
Chattels and historic objects	-	Nil

Heritage Assets

Heritage assets are held for their historic importance and cultural benefit. They are acquired where trustees feel it is in the public interest for the Trust to take ownership and would only be disposed of in cases where the long term viability of the asset was assured. The assets are managed by the Trust to keep them safe for the benefit of future generations, which may include repairs and alterations to the assets in accordance with legislation and approvals attached to listed buildings. Assets are accessible to the public by arrangement. Based upon the residual value of the assets, and their long life, depreciation is not provided. Assets are held on the balance sheet at valuation at date of acquisition, with valuations updated periodically to reflect capital works undertaken, if appropriate.

Investment properties

Properties held by the Trust are held for their long-term investment potential and to secure their survival for the future and are not depreciated.

Investment properties are held at fair value at the balance sheet date. The difference between original cost to the Trust and valuation is shown as a revaluation reserve within the general reserve. Costs incurred in the renovation and refurbishment of historic buildings are not capitalised.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

Cash

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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Accounting policies (continued)

Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Fund accounts

The unrestricted fund represents the income and expenditure incurred in the day to day running of the charitable company. The restricted fund represents grants and donations received for specific capital projects undertaken by the charitable company.

Pension costs

The charitable company contributes to the employees' personal pension schemes. Contributions are charged to the Statement of Financial Activities in the period in which the related payroll costs are incurred.

Operating leases

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the income and expenditure account as incurred.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements, the directors do not consider there were any significant areas of judgement that were required in applying the company's accounting policies as set out above.

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Notes to the accounts for the year ended 31 March 2020

1 Charitable activities

	2020 Unrestricted	2020 Restricted	2020 Total	2019 Total
	£	£	£	£
Grants and donations (see below)	121,232	554,765	675,997	1,006,169
Consultancy income	49,962	-	49,962	113,191
Total	171,194	554,765	725,959	1,119,360

Donor	Description	2020 Unrestricted	2020 Restricted	2020 Total	2019 Total
		£	£	£	£
Architectural Heritage Fund	Camp Farm, Maryport	-	-	-	25,000
Arts Council	Warwick Bridge Corn Mill	-	-	-	2,000
County Durham Community Foundation	Barnard Castle Walls	-	-	-	2,500
European Commission	Horizon 2020 project	-	51,162	51,162	3,611
Garfield Weston	Warwick Bridge Corn Mill	50,000	-	50,000	-
Groundwork	Warwick Bridge Corn Mill	8,648	-	8,648	1,000
The Headley Trust	Stonemasonry School, Croatia	4,509	-	4,509	-
	Warwick Bridge Corn Mill	-	11,840	11,840	11,840
Kirby Laing	Warwick Bridge Corn Mill	10,000	-	10,000	-
National Lottery Heritage Fund	Camp Farm, Maryport	(1,599)	-	(1,599)	16,661
	Resilience Fund	9,425	-	9,425	65,378
	Roman Frontiers	6,000	-	6,000	-
	Warwick Bridge Corn Mill	-	473,222	473,222	843,102
Northern Counties Builders Federation	Warwick Bridge Corn Mill	-	7,500	7,500	
Balance carried forward		86,983	543,724	630,707	971,092

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Notes to the accounts for the year ended 31 March 2020 (continued)

1. Charitable activities (continued)

Donor	Description	2020	2020	2020	2019
		Unrestricted	Restricted	Total	Total
		£	£	£	£
Balance brought down		86,983	543,724	630,707	971,092
Northern Heartlands	Barnard Castle Walls	2,000	-	2,000	-
Raby Estate	Barnard Castle Walls	1,835	-	1,835	-
Rural Development Programme for England	Warwick Bridge Corn Mill	-	11,041	11,041	35,077
Miscellaneous Donations		30,414	-	30,414	-
		121,232	554,765	675,997	1,006,169

2 Expenditure on charitable activities

	Direct costs	Staff costs	Support costs	Total 2020	Total 2019
	£	£	£	£	£
Consultancy	33,570	20,654	32,348	86,572	230,998
Building projects	521,370	61,694	96,625	679,689	939,731
Costs of charitable activities	554,940	82,348	128,973	766,191	1,170,729

3 Support costs

	2020	2019
	£	£
Staff costs	63,913	83,962
General office costs	45,780	49,291
Other loan interest	14,593	12,169
Depreciation	837	838
Audit fee	3,850	3,800
Cost of trustees' meetings	-	99
	128,973	150,159

Included within General office costs are payments made of £17,200 (2019: £8,750) in relation to commitments under operating leases

Cultura Trust
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Notes to the accounts for the year ended 31 March 2020 (continued)

4 Staff costs

	2020 £	2019 £
Staff costs comprise the following:		
Wages and salaries	134,460	182,191
Social security costs	5,674	10,109
Other pension costs	6,127	8,334
	146,261	200,634

The average number of persons employed during the year was 4 (2019: 7). In 2020 there were no employees with emoluments above £60,000 (2019: 0). None of the trustees (2019: 0) received or were entitled to receive any remuneration for their services to the charitable company. None of the trustees (2019: 2) received payment (2019: £275) for travel expenses during the year.

Key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the Trustees for planning, directing and controlling the activities of the charity. During 2019/20 they were:

G Bell

R Beattie

The total employee benefits of the key management personnel of the charity were £94,167 (2019: £100,466).

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Notes to the accounts for the year ended 31 March 2020 (continued)

5 Tangible fixed assets

	Furniture, fixtures and equipment	Painting	Total
	£	£	£
Cost			
At 1 April 2019	34,500	1,352	35,852
Additions	-	-	-
Disposals	(13,566)	-	(13,566)
At 31 March 2020	20,934	1,352	22,286
Depreciation			
At 1 April 2019	33,252	-	33,252
Charge for the year	837	-	837
Disposals	(13,502)	-	(13,502)
At 31 March 2020	20,587	-	20,587
Net book value			
At 31 March 2020	347	1,352	1,699
At 31 March 2019	1,248	1,352	2,600

6 Heritage assets

	2020 £
At 1 April 2019	1,530,000
Assets acquired including acquisition costs	-
Revaluations	-
Valuation at 31 March 2020	1,530,000

The heritage property assets were revalued by Edwin Thompson LLP (Chartered Surveyors) in November 2018 on an open market basis. Further detail on heritage assets is provided in the Trustees' report on page X.

Cultura Trust
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Notes to the accounts for the year ended 31 March 2020 (continued)

7 Heritage assets: summary of transactions

	2020	2019 £	2018 £	2017 £	2016 £
Donations	-	-	-	-	-
Purchases	-	-	-	-	137,332
Transferred from Investment Properties	-	-	-	-	275,000
Revaluations	-	160,668	-	-	-
Disposals	-	-	-	-	-
Proceeds from disposals	-	-	-	-	-

8 Investment properties

	2020 £
Valuation at 31 March 2019	250,002
Revaluations	-
Valuation at 31 March 2020	250,002

Properties were valued independently as follows:

Eagle & Exchange Buildings were valued in July 2018 by Kevin Carrick at current open market rental yield.

The historic cost of revalued investment property is £219,414 (2019: £219,414).

9 Debtors

	2020 £	2019 £
Rental income due after more than one year	14,845	16,259
Trade debtors	6,087	28,790
Prepayments and accrued income	134,168	247,673
	155,100	292,722

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Notes to the accounts for the year ended 31 March 2020 (continued)

10 Creditors: amounts falling due within one year

	2020	2019
	£	£
Loan from AHF	224,503	224,5003
Interest due on loan	11,836	9,244
Trade creditors	18,343	218,945
Other creditors	76,238	103,798
Other taxation and social security	2,364	3,671
Accruals and deferred income	73,764	94,469
	407,048	654,630

The loan from the Architectural Heritage Fund (AHF) is secured by a charge on Exchange Buildings in Sunderland. The terms of the loan are due to be reviewed in early 2021. It currently carries interest at 6.5%.

Other creditors reflects the liability that the Trust has to pay to third parties using the monies received in March 2015 from the North East Federation of Civic Societies.

Included within accruals and deferred income is deferred income as follows:

	2020
	£
Brought forward at 1 April 2019	125,605
Deferred during the year	-
Released during the year	(60,805)
Carried forward at 31 March 2020	64,800

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Notes to the accounts for the year ended 31 March 2020 (continued)

11 Reconciliation of movement in funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
At 1 April 2019	1,641,670	-	1,641,670
Net incoming resources for the year	5,827	-	5,827
Revaluations	-	-	-
At 31 March 2020	1,647,497	-	1,647,497

	Unrestricted funds	Restricted funds	Total 2020
	£	£	£
Represented by:			
Tangible fixed assets	1,699	-	1,699
Heritage assets	1,530,000	-	1,530,000
Investment properties	250,002	-	250,002
Current assets	197,722	75,122	272,844
Current liabilities	(331,926)	(75,122)	(407,048)
Long term liabilities	-	-	-
Total net assets as at 31 March 2020	1,647,497	-	1,647,497

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Notes to the accounts for the year ended 31 March 2020 (continued)

12 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020 £	2019 £
Net income/(expenditure) the reporting period (as per the statement of financial activities)	5,827	(353,290)
Adjustment for:		
Depreciation charges	837	838
Losses on investments	-	514,998
Dividends, interest and rents from investments	(34,074)	(42,170)
Revaluation of heritage assets	-	(160,668)
Loss on disposed of fixed assets	64	-
(Increase)/ decrease in debtors	137,622	(117,505)
Decrease in creditors	(247,582)	(64,207)
Net cash used in operating activities	(137,306)	(222,004)

13 Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	117,744	220,976
Total cash and cash equivalents	117,744	220,976

14 Analysis of changes in net debt

	At start of year £	Cash-flow £	At end of year £
Cash	220,976	(103,232)	117,744
Loans falling due within one year	(224,503)	-	(224,503)
Total	(3,527)	(103,232)	(106,759)

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Notes to the accounts for the year ended 31 March 2020 (continued)

15 Commitments under operating leases

At 31 March 2020 the company had future minimum lease payments under non-cancellable operating leases as set out below:

	2020	2019
	£	£
Operating leases which expire:		
Within one year	3,250	10,393
Within two to five years	-	5,256
In more than five years	-	-

16 Related party transactions

During the year the Trust contracted with Historic Property Restoration Limited, a company that is related by a common (now retired) director, Mr M Moody, for the refurbishment of Warwick Bridge Corn Mill. During the year the Trust paid £714,703 (2019: £679,856) to HPR and a further £10,474 (2019: £155,140) was outstanding at the year end.

Whitehaven Harbour Commissioners, a company related by the common director Ms C MacKenzie, commissioned a piece of work from the Trust totalling £nil (2019: £11,050). £8,000 (2019: £3,050) was recognised as income during the year, of which £nil (2019: £3,050) is outstanding at the year end.

During the year, the Trust paid Ms B Gubbins (retired Trustee) £nil (2019: £2,575) as a consultant on one of the Trust's projects, a role unconnected to her role as trustee.

All related party transactions were at an arms-length basis.

17 Capital commitments

The Trust had an outstanding capital commitment of £27,503 at 31 March 2020 (2019: £469,814) in relation to the refurbishment of Warwick Bridge Corn Mill with Historic Property Restoration as noted above.

18 Taxation

The company is a registered charity which is exempt from UK income tax, corporation tax and capital gains tax as long as the income it receives is applied for charitable purposes.

Cultura Trust
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Notes to the accounts for the year ended 31 March 2020 (continued)

19 Contingent liabilities

The Trust's capital funding for projects carried out at the Eagle and Exchange buildings in Sunderland together with Gayle and Warwick Bridge is subject to clawback / repayment should the Trust dispose of the properties. The amounts vary according to the length of time passed since completion of each project and other circumstances. As the Trust holds all properties to secure their long-term future, there are no plans to sell any of the properties concerned.