



(a charitable company limited by guarantee)

Annual Report
for the year ended 31 March 2021

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 2021

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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 (Resigned 26 March 2021)

Mr P Candler DL

Ms B Gubbins (Resigned 14 April 2020)

Mr T Haak (Appointed 1 May 2020)

Ms D Jenkins (Chair)

Ms C MacKenzie

Mr C Mullin (Resigned 26 March 2021)

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 2021

The trustees present their report and accounts for the year ended 31 March 2021. 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) and Scotland 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 received a number of emergency grants in light of the pandemic. These funds helped fund emergency repairs at a couple of our properties, together with strengthening the Trust's financial state and its future. In addition, commissions allowed us to develop plans at our historical sites including a digital plan involving our heritage assets. The workload on the European projects did decrease somewhat due to the unavailability for travel and visiting historic venues. All activities were in accordance with our 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 2021 (continued)

Achievements and Performance

The year began in pandemic lockdown. As noted last year, the Resilient Heritage process leading in 2019 to an organisation review, new direction and name, and registration as a charity in Scotland, together fortuitously placed the Trust in a strong position to enter the most challenging period of uncertainty it has faced. It enabled the Trust to quickly put in place measures to minimise operational costs and safeguard the wellbeing of staff and trustees, and those with whom the Trust was working. It was feared in the spring of 2020 that a quarter of all charities may not survive the pandemic; this was an unprecedented existential threat to the sector, not just individual charities, and consequently those whom they serve.

In the Spring of 2020 the Trust's administrator began participation in the furlough scheme that would continue with later stepped reductions until September 2021. This was an unexpected fundamental change to personal circumstances which all at the Trust appreciated. As a pragmatic form of 'key man insurance', the director adopted the measures akin to 'screening', combining working from home, minimal face-to-face contact and extensive adoption of online meetings and working methods. Board meetings and liaison moved online. All staff willingly made sacrifices from the outset to help pre-empt financial and operational risks, for which the Trust is grateful.

A project that began twenty years earlier came to fruition in the spring of 2020 with the lease and commencement of operation of Warwick Bridge Corn Mill. During the first and most restrictive lockdown was the worst of times to launch any venture, especially as a community benefit society supported by volunteers and set up as a social enterprise. But faith and resolve saw it adapt to meet a need when supermarket shelves were bare. It was an inspiring chapter along the road to recovery for the mill, and the fulfilment of a long-held vision for Cultura. As a working mill, bringing it back into use has needed, and will continue to need, operational repairs and maintenance, in which learning from experience is central. It was rewarding to see Cultura's young recruit work through the development stage to then become miller, developing and applying her skills; Cultura hopes the mill will be a place of fascination and learning for all volunteers, staff, visitors, customers, suppliers, local community, shareholders and those participating in courses in traditional baking.

The profound uncertainties of the Spring of 2020 led to the launch of 'emergency' support funding from a range of providers. Cultura was successful in applying for a succession of these, including from the National Lottery Heritage Fund, the government's Culture Recovery Fund for heritage (rounds 1 and 2), Historic England's Heritage at Risk emergency fund, and Northumberland County Council. In addition, funders such as The Headley Trust have been extremely understanding and flexible in the administration of their grants, especially in connection with Cultura's collaboration with the stonemasonry school in Croatia, and with University of Newcastle upon Tyne and its partners in the HERILAND European community planning project.

Activities during the year were characterised by restrictions on staffing and movement, capacity to work online and, instead of a normal year's programme, prioritising sustainability of the Trust and its heritage assets through this period of risk.

In addition to support towards core costs, the emergency grants received and delivered during the year enabled the following: Gayle Mill, Hawes, North Yorkshire: a comprehensive programme of works to the building and its systems, overhauling the hydro turbines and historic machinery, headrace, grounds and gates; employing a supervisor and volunteer co-ordinator; making the site COVID-safe by providing equipment for staff and volunteers, as well as a new website and interpretation materials for visitors. Camp Farm, Maryport, Cumbria: removal of a dangerous roof, consolidation of buildings for COVID-safe access by

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Trustees' report for the year ended 31 March 2021 (continued)

visitors, installation of composting toilet and making the hay barn into a gathering/work area, clearance of redundant and contaminated materials from the area to be the future kitchen training garden.

In addition, building upon the 2019 strategic plan, the following were commissioned to strengthen development of Cultura's activities taking account of COVID and climate change, including at its historic sites: an SDGs (UN Sustainable Development Goals) Plan to implement all relevant SDGs; a Learning Plan to diversify Cultura's relevance and support in society, including therapeutic biodiversity, Care Farm and social farming proposals at Camp Farm and Gayle Mill; a Digital Plan to develop Cultura's heritage assets as resources for learning activities.

The funding also helped Cultura establish a new charity, the Bakelite Design Trust, which will work towards creating a new museum/conservation/education centre based on two collections, one of which Cultura acquired with the Eagle Building – one of the UK's earliest Bakelite factories. The two collections together form what is believed to be the largest collection in the UK and significant in Europe.

The Trust's European projects and activities have had to adapt to travel restrictions and working online but have not been prevented from continuing. For example, PRO-Heritage, which concentrates on improving climate/environmental sustainability performance measures in historic buildings, especially through appropriate retrofit, has moved into preparation of training materials. INCREAS began mapping the existence and roles of 'communities of expertise' across Europe, bridging between tangible and intangible cultural heritage – a theme on which Cultura provides advice on governance, management and development to the GLAM sector (Galleries, Libraries, Archives & Museums).

Given the constraints on travel and work, dissemination and networking to maintain the Trust's profile took on greater importance. Conference presentations for Historic Environment Scotland, CIOB, and in Zagreb and Hungary included themes such as cultural heritage and the SDGs, dissonant heritage and GLAM resilience. The Trust has contributed to themes in preparation for COP26, again for the GLAM sector, but also about sense of place and indigenous relationships between people and their homelands – not a phrase used much in the UK.

The Trust's director's involvement with Europa Nostra intensified. The director continued as a member of the board and 7 Most Endangered Advisory Panel, as well as supporting Europa Nostra UK, but added to this were two significant roles: first, as an advisor in working with ICOMOS on the European Green Paper response to the pivotal European Green Deal, which is the strategy embracing and committing all policy agendas to carbon reduction, with the first target of 2030; second, and arising from the first, was a member of the advisory group on the New European Bauhaus, which converges beauty/design/creativity, environmental sustainability and societal cohesion. The Trust was the only UK World Heritage Site representative in the initiative 'Our World Heritage' which was a global assessment of sustainability. Camp Farm as part of the Frontiers of the Roman Empire WHS was one of 60 case studies selected from over 150 applications. Sustainable tourism is a related theme of a European project in which the director represents Europa Nostra, the issues of which have been heightened by the pandemic and concerns about impact upon the climate.

An unexpected benefit of not travelling was to free up time as an opportunity for specialist training. During the year the director undertook an intensive course hosted by Thrive in Social and Therapeutic Horticulture Practice, which will help enable the Trust to be a more informed manager of care farm and other special learning activities at Camp Farm; the Trust subsequently became a member of the Social Farms and Gardens

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Trustees' report for the year ended 31 March 2021 (continued)

network. The director also was accepted onto a course organised by the University of Venice in digital 3D recording and online sharing of cultural heritage places and objects.

Emerging from the pandemic, but adapting to living and working in the shadow of COVID, will continue to determine what and how Cultura can achieve in the coming years, but if its performance during adversity as described above and in the accounts is an indicator, the resilience exhibited since 2019 will stand it in good stead.

Financial Review

Full details of income and expenditure for the year are set out in the Statement of Financial Activities set out on page 13.

The operating surplus for the year to March 2021 of £20k reflected another tough but stable year for the Trust. Reducing the staff base and the completion of the capital works at Warwick Bridge have resulted in a fall in revenue, balanced by a reduction in costs.

Going concern

The continuing effect of Covid-19 has become a significant risk to the global economy. The Trustees continue to monitor the impact that the pandemic has had on the Trust. They recognise that the latest position continues to change and it is difficult to assess the effect on the long-term. The Trust has taken advantage of the Job Retention Scheme whilst it operated. Close monitoring of the cash position and cost base to resource, along with the continued support of the AHF means that the Trustees feel that the Trust has sufficient resources to meet its ongoing commitments.

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 £30k) and a maximum of one years running costs as free reserves (i.e. not tied up in fixed assets). Total reserves of £1,667k include amounts tied up in fixed assets of £1,782k, leaving unrestricted free reserves at 31st March in deficit of £115k. 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. Efforts to refinance the loan continues in 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.

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Trustees' report for the year ended 31 March 2021 (continued)

Risk management and principal risks

The Trustees have examined the major strategic, business and operational risks which the Charity faces, and are satisfied that appropriate systems have been established to seek to identify and manage these risks. It is recognised that systems can only provide reasonable but not absolute assurances that major risks have been adequately managed. The Trustees consider that the principal risks facing the Charity are:

- Failure to meet income targets and manage costs, leading to completed projects not being sustainable.
- Failure to meet capital fundraising targets on new projects leading to insufficient funds to complete the projects currently being undertaken.
- Risks (including insufficient contingency allocation) on capital projects not being adequately identified leading to cost overruns.
- Non-compliance with funders' requirements/ agreements leading to clawbacks in grants received.
- Health & safety issues associated with capital projects and the running of operations in old buildings.
- Loss of key personnel.
- Impact of Covid 19 with uncertainties over how long it will continue, and financial impact.

All risks are included on the risk register and monitored regularly at Trustee meetings, with actions agreed and taken as appropriate.

Plans for future periods

The future is more uncertain than in previous years due to the continuation of the impact of Covid-19. All our tenants are continuing to trade or be will re-opening once their plans are finalised. We are confident that we can respond to any changes that may occur over the coming year and aim to improve our offer wherever possible. During 2021/22 the Trust aims to:

- 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;
- Continue to engage in European projects, where possible;
- Build reserves and improve financial performance;
- Continue to bring both Camp farm and Gayle Mill back to visitor and local community use.

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Trustees' report for the year ended 31 March 2021 (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 director 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. However, during 2021 the board met "virtually" more often and monitored the performance and forecast for the trust on a month/bi-monthly basis. 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.

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Trustees' report for the year ended 31 March 2021 (continued)

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 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

A handwritten signature in black ink, appearing to read 'D Jenkins', with a horizontal line underneath it.

D Jenkins
Chair
19th November 2021

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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 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 2021 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the trustees and other management (as required by auditing standards) and from inspection of the charitable company's legal correspondence and we discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations. We have communicated identified laws and regulations within our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

Secondly, the charitable company is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, environmental law and certain aspects of company legislation, recognising the nature of the charitable company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we have not become aware of any actual or suspected non-compliance material to the financial statements.

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

A further description of our responsibilities 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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

19th November 2021

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Statement of financial activities (including income and expenditure account) for the year ended 31 March 2021

	Notes	Unrestricted funds	Restricted funds	Total 2021	Total 2020
		£	£	£	£
Income and endowment from:					
Charitable activities	1	254,774	92,431	347,205	725,959
Investments		42,884	-	42,884	36,114
Other		19,243	-	19,243	9,945
Total		316,901	92,431	409,332	772,018
Expenditure on:					
Charitable activities	2	297,204	92,431	389,635	766,191
Total		297,204	92,431	389,635	766,191
Net income/ (expenditure)		19,697	-	19,697	5,827
Revaluation of heritage assets		-	-	-	-
Revaluation of investment property		-	-	-	-
Net movement in funds		-	-	-	-
Reconciliation of funds					
Funds brought forward at 1 April		1,647,497	-	1,647,497	1,641,670
Fund balances carried forward	11	1,667,194	-	1,667,194	1,647,497

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 2021

	Note	2021	2021	2020	2020
			£	£	£
Tangible fixed assets	5		2,060		1,699
Heritage Assets	6		1,530,000		1,530,000
Investments	8		250,002		250,002
Current assets					
Debtors due after 1 year	9	13,431		14,845	
Debtors due within 1 year	9	113,754		140,255	
Cash at bank and in hand		251,536		117,744	
Total current assets		378,721		272,844	
Creditors: amounts falling due within one year	10	(493,589)		(407,048)	
Net current liabilities			(114,868)		(134,204)
Total assets less current liabilities			1,667,194		1,647,497
Net assets			1,667,194		1,647,497
Funds					
Restricted funds	11		-		-
Unrestricted funds					
Revaluation reserve	11	466,256		466,256	
General reserve	11	1,200,938		1,181,241	
Total unrestricted funds			1,667,194		1,647,497
Total funds			1,667,194		1,647,497

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The financial statements on pages 13 to 28 were approved by the board of Trustees on 19th November 2021 and were signed on their behalf by:



D Jenkins, Chair
 Company Number 01654806

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Statement of cash flows

	Note	2021	2020
		£	£
Net cash provided by/(used in) operating activities	12	92,692	(137,306)
Cash flow from investing activities:			
Dividends, interest and rents from investments		41,100	34,074
Net cash provided by/(used in) investing activities		41,100	34,074
Cash flows from financing activities:			
Cash inflow from new borrowing		-	-
Net cash provided by/(used in) financing activities		-	-
Change in cash equivalents in the reporting period		133,792	(103,232)
Cash and cash equivalents at the beginning of the reporting period		117,744	220,976
Cash and cash equivalents at the end of the reporting period		251,536	117,744

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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

Despite the continued impact of Covid on the operations of the Trust, the Trust ended the financial year with a healthy cash balance. Whilst efforts are ongoing to restructure the loan secured on Warwick Bridge, the AHF remain supportive of the Trust's position. As work is only committed to once funding is secured, and the Trust has the ability to minimise core costs as required, the Trustees are satisfied that the Trust is able to meet liabilities as they fall due. The Trustees have considered a period of time 12 months from the date of signing of these financial statements and consider that the Trust will be able to continue operations for the foreseeable future with the continued support from The Architectural Heritage Fund. 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.

Cultura Trust
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Notes to the accounts for the year ended 31 March 2021

1 Charitable activities

	2021	2021	2021	2020
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Grants and donations (see below)	251,201	92,431	343,632	675,997
Consultancy income	3,573	-	3,573	49,962
Total	254,774	92,431	347,205	725,959

Donor	Description	2021	2021	2021	2020
		Unrestricted	Restricted	Total	Total
		£	£	£	£
Architectural Heritage Fund	Warwick Bridge Corn Mill	-	1,345	1,345	-
Bright Ideas	Warwick Bridge Corn Mill	-	5,000	5,000	-
English Heritage	Gayle Mill	10,209	-	10,209	-
European Commission	Horizon 2020 project	-	28,346	28,346	51,162
Garfield Weston	Warwick Bridge Corn Mill	-	-	-	50,000
Groundwork	Warwick Bridge Corn Mill	-	-	-	8,648
The Headley Trust	Stonemasonry School, Croatia	(1,173)	-	(1,173)	4,509
	Warwick Bridge Corn Mill	-	-	-	11,840
HMRC	Job Retention Scheme	9,976	-	9,976	-
Kirby Laing	Warwick Bridge Corn Mill	-	-	-	10,000
National Lottery Heritage Fund	Camp Farm, Maryport	-	-	-	(1,599)
	Covid 19 Emergency	59,100	-	59,100	-
	Cultural Recovery Fund I	153,767	-	153,767	-
	Resilience Fund	9,022	-	9,022	9,425
	Roman Frontiers	-	-	-	6,000
	Warwick Bridge Corn Mill	-	57,740	57,740	473,222
Balance carried forward		240,901	92,431	333,332	623,207

Cultura Trust
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Notes to the accounts for the year ended 31 March 2021 (continued)

1. Charitable activities (continued)

Donor	Description	2021	2021	2021	2020
		Unrestricted	Restricted	Total	Total
		£	£	£	£
Balance brought down		240,901	92,431	333,332	623,207
Newcastle University	Heriland Project	7,000	-	7,000	-
Northern Counties Builders Federation	Warwick Bridge Corn Mill	-	-	-	7,500
Northern Heartlands	Barnard Castle Walls	-	-	-	2,000
Raby Estate	Barnard Castle Walls	3,165	-	3,165	1,835
Rural Development Programme for England	Warwick Bridge Corn Mill	-	-	-	11,041
Miscellaneous Donations		135	-	135	30,414
		251,201	92,431	343,632	675,997

2 Expenditure on charitable activities

	Direct costs	Staff costs	Support costs	Total 2021	Total 2020
	£	£	£	£	£
Consultancy	90,691	16,378	31,272	138,341	86,572
Building projects	165,560	29,468	56,266	251,294	679,689
Costs of charitable activities	256,251	45,846	87,538	389,635	766,191

Cultura Trust
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Notes to the accounts for the year ended 31 March 2021 (continued)

3 Support costs

	2021 £	2020 £
Staff costs	43,435	63,913
General office costs	25,140	45,780
Other loan interest	14,593	14,593
Depreciation	520	837
Audit fee	3,850	3,850
Cost of trustees' meetings	-	-
	87,538	128,973

Included within General office costs are payments made of £3,272 (2020: £17,200) in relation to commitments under operating leases.

4 Staff costs

	2021 £	2020 £
Staff costs comprise the following:		
Wages and salaries	84,120	134,460
Social security costs	244	5,674
Other pension costs	4,917	6,127
	89,281	146,261

The average number of persons employed during the year was 3 (2020: 4). In 2021 there were no employees with emoluments above £60,000 (2020: 0). None of the trustees (2020: 0) received or were entitled to receive any remuneration for their services to the charitable company. None of the trustees (2020: none) received payment (2020: £nil) 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 2020/21 they were:

G Bell

R Beattie

The total employee benefits of the key management personnel of the charity were £61,355 (2020: £94,167).

Cultura Trust
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Notes to the accounts for the year ended 31 March 2021 (continued)

5 Tangible fixed assets

	Furniture, fixtures and equipment	Painting	Total
	£	£	£
Cost			
At 1 April 2020	20,934	1,352	22,286
Additions	881	-	881
Disposals	-	-	-
At 31 March 2021	21,815	1,352	23,167
Depreciation			
At 1 April 2020	20,587	-	20,587
Charge for the year	520	-	520
Disposals	-	-	-
At 31 March 2021	21,107	-	21,107
Net book value			
At 31 March 2021	708	1,352	2,060
At 31 March 2020	347	1,352	1,699

6 Heritage assets

	2021 £
At 1 April 2020	1,530,000
Assets acquired including acquisition costs	-
Revaluations	-
Valuation at 31 March 2021	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 2.

Cultura Trust
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Notes to the accounts for the year ended 31 March 2021 (continued)

7 Heritage assets: summary of transactions

	2021	2020	2019	2018	2017
		£	£	£	£
Donations	-	-	-	-	-
Purchases	-	-	-	-	-
Transferred from Investment Properties	-	-	-	-	-
Revaluations	-	-	160,668	-	-
Disposals	-	-	-	-	-
Proceeds from disposals	-	-	-	-	-

8 Investment properties

	2021
	£
Valuation at 31 March 2020	250,002
Revaluations	-
Valuation at 31 March 2021	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 (2020: £219,414).

9 Debtors

	2021	2020
	£	£
Rental income due after more than one year	13,431	14,845
Trade debtors	11,383	6,087
VAT recoverable	31,990	-
Prepayments and accrued income	70,381	134,168
	127,185	155,100

Cultura Trust
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Notes to the accounts for the year ended 31 March 2021 (continued)

10 Creditors: amounts falling due within one year

	2021	2020
	£	£
Loan from AHF	224,503	224,503
Interest due on loan	19,133	11,836
Trade creditors	185,249	18,343
Other creditors	199	76,238
Other taxation and social security	1,311	2,364
Accruals and deferred income	63,194	73,764
	493,589	407,048

The loan from the Architectural Heritage Fund (AHF) is secured by a charge on Exchange Buildings in Sunderland. The terms of the loan are being constantly reviewed. 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:

	2021
	£
Brought forward at 1 April 2020	64,800
Deferred during the year	-
Released during the year	(14,977)
Carried forward at 31 March 2021	49,823

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Notes to the accounts for the year ended 31 March 2021 (continued)

11 Reconciliation of movement in funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
At 1 April 2020	1,647,497	-	1,647,497
Net incoming resources for the year	19,697	-	19,697
Revaluations	-	-	-
At 31 March 2021	1,667,194	-	1,667,194

	Unrestricted funds	Restricted funds	Total 2021
	£	£	£
Represented by:			
Tangible fixed assets	2,060	-	2,060
Heritage assets	1,530,000	-	1,530,000
Investment properties	250,002	-	250,002
Current assets	313,462	65,259	378,721
Current liabilities	(428,330)	(65,259)	(493,589)
Long term liabilities	-	-	-
Total net assets as at 31 March 2021	1,667,194	-	1,667,194

Cultura Trust
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Notes to the accounts for the year ended 31 March 2021 (continued)

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

	2021 £	2020 £
Net income/(expenditure) the reporting period (as per the statement of financial activities)	19,697	5,827
Adjustment for:		
Depreciation charges	520	837
Capital expenditure	(881)	-
Dividends, interest and rents from investments	(41,100)	(34,074)
Loss on disposed of fixed assets	-	64
Decrease in debtors	27,915	137,622
Increase/ (decrease) in creditors	86,541	(247,582)
Net cash generated / (used) in operating activities	92,692	(137,306)

13 Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	251,536	117,744
Total cash and cash equivalents	251,536	117,744

14 Analysis of changes in net debt

	At start of year £	Cash-flow £	At end of year £
Cash	117,744	133,792	251,536
Loans falling due within one year	(224,503)	-	(224,503)
Total	(106,759)	133,792	27,033

Cultura Trust
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Notes to the accounts for the year ended 31 March 2021 (continued)

15 Commitments under operating leases (as lessee)

At 31 March 2021 the company had future minimum lease payments under non-cancellable operating leases as set out below:

	2021	2020
	£	£
Within one year	3,250	3,250
Within two to five years	-	-
In more than five years	-	-
Total	3,250	3,250

16 Commitments under operating leases (as lessor)

The company owns buildings which are rented out to third parties. At 31 March 2021 the company had future minimum lease receipts under non-cancellable operating leases as set out below:

	2021	2020
	£	£
Within one year	17,819	11,819
Within two to five years	54,276	47,276
In more than five years	57,805	69,624
Total	129,900	128,719

17 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 £10,474 (2020: £714,703) to HPR and a further £55,027 (2020: £10,474) 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 (2020: £nil). £nil (2020: £8,000) was recognised as income during the year, of which £nil (2020: £nil) is outstanding at the year end.

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

Cultura Trust
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Notes to the accounts for the year ended 31 March 2021 (continued)

18 Capital commitments

The Trust had an outstanding capital commitment of £nil at 31 March 2021 (2020: £27,503) in relation to the refurbishment of Warwick Bridge Corn Mill with Historic Property Restoration as noted above.

19 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.

20 Contingent liabilities

The Trust's capital funding for projects carried out at 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 these properties to secure their long-term future, there are no plans to sell any of the properties concerned.