

Charity Registration No. 1184883

Company Registration No. 10674601 (England and Wales)

**LEEDS CULTURE TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2021**



# LEEDS CULTURE TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	B Woroncow	125
	J Jones-Buchanan	
	Councillor A D Cohen	
	Professor F J Finlay	
	S L Gladish	
	S L Hoyle	
	S J Payne	
	I Thompson	
	S M Watson	
<b>Secretary</b>	K Arrowsmith	
<b>Charity number</b>	1184883	
<b>Company number</b>	10674601	
<b>Registered office</b>	Marshall's Mill Marshall Street Leeds LS11 9YJ	
<b>Auditor</b>	Sagars Accountants Ltd 5-7 St Pauls Street Leeds LS1 2JG	

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# LEEDS CULTURE TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2021

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The trustees, who act as directors for the purposes of company law, present their report and financial statements for Leeds Culture Trust (also known as LEEDS 2023) for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

The trustees confirm that they complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity's Commission general guidance on public benefit "Charities and Public Benefit". The Trustees' Report clearly sets out the charitable objectives, our current activities and how they benefit the public.

#### Objectives and activities

Our vision is a thriving Leeds where creativity fuels opportunities for everyone. Our mission is to deliver a transformational year of creative experiences connecting and benefiting people now and into the future. Leeds Culture Trust's strategic objectives will be developed through 2021/22. Underpinning all activity through the year to 31 March 2021 are the charity's 'objects' as set out in the charity's articles and memorandum of association which are:

- 1) To advance the education of the residents of Leeds and surrounding areas in the arts, culture and heritage.
- 2) To promote the arts, culture and heritage, in particular but not exclusively by:
  - Encouraging participation and inclusion; and
  - Supporting charities, arts organisations and other not for profit bodies and individuals engaged in the provision of artistic, cultural and heritage activities and events.

The charity also carries out these objectives through the provision of grants to parties which fall within the criteria above. The trustees act on advice and information from the senior management team which is responsible for the day to day management of the charity.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

#### Achievements and performance

The first half of the year was focused on developing a vision, mission, and strategic plan which, with the rapidly changing social and economic external environment as result of Covid-19, required extensive re-working month by month to ensure Leeds Culture Trust positioned its aims and objectives in response to the pandemic and aligned to the recovery of the city.

In May 2020 Abigail Scott Paul was appointed Director of External Relations and joined CEO and Creative Director Kully Thiarai and Executive Director Mark Hollander, as the third member of the Leeds Culture Trust executive team. When lockdown measures came fully into force by the end of March, the team established a remote working policy and continued almost entirely from home through the 2020/21 financial year.

The impact of the pandemic on organisational development was considerable requiring deep sensitivity to the external environment and managing significant delays in vital areas including fundraising, staff build-up and programme development. Nevertheless, the team made substantial progress in reconnecting with artists, businesses, cultural organisations, and others that had contributed to the original European Capital of Culture bid-stage and forged strong new corporate relationships towards sponsorship opportunities. They also established relationships with trusts and foundations, convened a network of cultural practitioners and producers from across the city and at all scales, and consulted with key stakeholders on the emerging strategic plan.

The recruitment for a Head of Development post was progressed between May and July 2020 but did not lead to an appointment. Two development experts were then contracted from cultural consultancy 'People Make it Work' to support the team in developing a fundraising strategy and case for investment.

# LEEDS CULTURE TRUST

## TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2021

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By November 2020 two fundraising officers were appointed to take this work forward and by March 2021 the staff complement had reached 12 including Executive Producer and Head of Finance and Operations.

Apart from the direct impact of Covid-19 on company development, the external environment led to other challenges to Leeds Culture Trust. Like other local authorities, Leeds City Council faced enormous budgetary challenges through Covid-19. This triggered a review of grant agreement terms and a 15% reduction to the grant funding level, which would be implemented from the following financial year (along with the same reduction to other large cultural institutions in the city). With council elections looming and the political landscape shifting to accommodate the devolution deal with Mayoral elections on the same day, we took the opportunity to engage with all political parties and candidates and to reinforce the evidence base for the economic and social value of culture. This work led to a commission with BOP Consulting building on previous bid-stage analysis towards a new Leeds 2023 prospectus and case for investment for targeted and broad distribution during 2021/22. This level of political engagement was important to ensure Leeds 2023 remained and was seen as politically neutral and to firmly position Leeds 2023 as an essential part of the recovery of the city and West Yorkshire.

The anticipated and in-depth work to develop the brand proposition, visual identity and strapline took place in consultation with stakeholders, Trustees and staff. This work was led by Director of External Relations Abigail Scott Paul working with the Sheffield based design team Peter and Paul towards a public launch in May 2021.

Creative Director and CEO Kully Thiarai led a team across the STEAM agenda towards a successful bid for a Research and Development commission from Festival UK 2022. Shortlisted as one of 30 projects and awarded £100,000 towards the development of the idea, an exciting multi-city project was proposed to the Festival UK 2022 team to be considered for full production as part of the final 10 projects that would be commissioned for the Festival. The project was designed to kick off in 2022 and complete in summer 2023. The second commission was not awarded but the project remains as a scalable option for the Leeds 2023 year. Receiving the initial commission was testament to the strength of Leeds Culture Trust as a new start-up company, to be able to bring together a multi-sector team and attract significant funds for the development of innovative work. It was a very time-consuming process for Kully Thiarai and, whilst an important and valuable project to have been part of, it highlighted capacity limitations within the team in an already challenging context. With the appointment of Emma Beverley in January 2021 as Executive Producer and staff to support the development of the creative learning and engagement areas of the programme, some of the immediate capacity challenges were somewhat eased and detailed work on the artistic programme was able to progress.

Two applications to Arts Council England were made through the year and both were successful. One was a project application for a community engagement programme with 23 communities across the wards of the city. It is called My World, My City, My Neighbourhood and will receive £223,000 in 2021/22 and a further £23,000 in the same year from Leeds Community Foundation as part of a new partnership. The other was from the Cultural Recovery Fund for £322,000 enabling the company to build back across multiple areas of work in the new financial year 2021/22. The year also saw the formation of a Development Board to support fundraising and development.

#### Future plans

As the country appears to be emerging from the immediate impact of the pandemic the company has laid all the groundwork for a productive year to come. Plans for 2021/22 include:

- Public launch of the corporate scheme
- Public launch of the new Leeds 2023 brand
- Live stream and film recording of promotional assets for the wider community and cultural sector
- Partnership and project development with major sporting organisations
- Delivery of a major community engagement project called My World, My City, My Neighbourhood funded by Arts Council England and Leeds Community Foundation
- Delivery of a British Council-funded international development programme
- Multi-city partnership and delivery of a cultural event surrounding the Rugby League World Cup

The executive team remains very aware that the economic and social impact of COVID-19 will continue to play its part in how Leeds 2023 maps out its programme and the business model has been designed to remain continuously agile.

# LEEDS CULTURE TRUST

## TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### Financial review

The total income for the year was £2,083,118 (2020: £1,488,213). This was applied to building the staff team, fundraising, strategic and business planning and accumulating resources to enable leverage for greater resources next year and the development of creative work. In total the expenditure amounted to £1,107,102 (2020: £214,695).

- The above resulted in a surplus for the year of £976,016 (2020: £1,273,518).
- At the balance sheet date the charity had cash at bank and in hand of £2,422,642 (2020: £1,279,362).
- Total funds were £2,249,534 (2020: £1,273,518). Unrestricted funds were £2,140,993 (2020: £1,273,518) and restricted funds were £108,541 (2020: £nil).

#### Budget

During 2020-2021, the charity received funding through its grant award from Leeds City Council totalling £1,790,000 (2020: £1,485,000) in the year.

Leeds City Council has awarded £10,745,000 towards a programme with an anticipated final budget of between £25m and £30m.

The senior management team is in dialogue with potential funders and assessing the fundraising targets in the light of Covid-19 and in discussion with trustees and key stakeholders.

#### Reserves policy

The charity carries a contingency which provides a means to meet its charitable objectives. No expenditure is authorised without the corresponding income being secured and all projects are presented to the executive team for approval before proceeding.

Leeds Culture Trust is a start-up charitable trust building towards a year of culture in 2023. Reserves must be gradually accumulated towards an anticipated £30m programme across all years of which approximately 50% will be required as expenditure in the final financial year 2023/24. The reserves policy will be addressed by the board in greater detail as the programme budget is developed.

As the budget develops there will be a level of flexibility built into the reserves policy to take account of the potential impact of Covid-19 on programme plans and available funds. On the designated Programme Development Fund a balance of £1,612,173 has been carried forward.

The trustees will review the circumstances of Leeds Culture Trust and the post Covid-19 economic climate to ensure flexibility in the business plan to safeguard credible delivery of Leeds 2023. The trustees are of the view that the charitable company is a going concern.

#### Investment policy

The charity has an investment policy advised by Brewin Dolphin in September 2019. The policy advised accumulating cash inflows in order to obtain reserves and recommended diversification of assets if reserve levels exceed expectation. The trustees have reviewed this policy in the light of Covid-19 as expenditure has been delayed due to the pandemic and the resultant surplus cash will be invested in interest-bearing accounts to match cashflow expectations.

# LEEDS CULTURE TRUST

## TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### Fundraising Activity

The Fundraising activity for Leeds Culture Trust is led by an in-house team employed directly by the charity and the team is overseen by the Executive Director. The dedicated team of fundraising and development staff raises funds for charitable activity from a combination of sources including individuals, corporates, trusts and foundations, informed by a fundraising strategy aligned to the business plan. Leeds Culture Trust has developed a clear and transparent strategy to deliver the new GDPR rules and part of this commitment is to ensure that we do not unintentionally contact vulnerable individuals who do not have a direct and obvious relationship with Leeds Culture Trust. Leeds Culture Trust has received no complaints relating to its fundraising practice.

#### Risk management

A risk register has been produced with risks owned by the relevant member of the senior management team. Risks and their mitigating actions are reviewed monthly at senior management team meetings and will be reviewed quarterly at board meetings.

Future public facing activity undertaken by the company will require an event plan to be produced so that all risks including health & safety and safeguarding are assessed and appropriate plans in place.

#### Structure, governance and management

The charity is a company limited by guarantee whose business is governed by a board of trustees. The charity is registered as a charity under the Charities Act 2011 and gained charitable status on 13 August 2019. The board of trustees comprises individuals who together are responsible for the governance of the charity. The charity is governed by its Memorandum and Articles of Association dated 19 March 2019.

The board of trustees is made up of a minimum of three trustees and a maximum of twelve. There are plans to increase this to a maximum of fourteen in the near future. There are currently nine trustees, and the full list of trustees is set out below.

The board of trustees met eight times in the period, with meetings held on a bi-monthly basis. The term of office for trustees is for a minimum of two years or maximum of five with the exception of Council nominees appointed for one-year terms.

In June 2021 Ruth Pitt resigned as chair: the trustees acknowledge Ruth's contribution to Leeds 2023 and thank her for her work. During 2020 Professor Frank Finlay had been appointed as vice chair of the board and, following Ruth Pitt's resignation, he became acting chair to cover the period whilst the new chair is being recruited.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

#### Trustee

B Woroncow

J V Blake, Baroness Blake of Leeds (resigned 25 May 2021)

J Jones-Buchanan

Councillor A D Cohen (resigned 25 May 2021 and reappointed 15 June 2021)

Professor F J Finlay

S L Gladish

S L Hoyle

S J Payne

R A Pitt (resigned 25 June 2021)

I Thompson

S M Watson

#### Lead Area

Governance and heritage

Leader of Leeds City Council and executive member for inclusive growth and culture

Sport and community engagement

Conservative city councillor, shadow cabinet member for leisure culture and skills

Acting Chair with effect from 25 June 2021, Higher Education and international relations

Finance and audit

Human resources

Young people and community engagement

Chair

Marketing and Communications

Artistic / former Leeds 2023 steering group chair

# LEEDS CULTURE TRUST

## TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2021

The charity has assembled its board which brings together a vast array of knowledge and experience gained in a number of sectors, from education, finance and governance to sport, politics and community engagement. The trustees were recruited through an open process or by nomination from key partners. There is currently one vacant position on the board which is expected to be filled by an artist representing Leeds South Asian community. Going forward the plan is to assemble a number of distinct advisory groups comprised of community representatives to advise on various matters such as inclusivity and access.

The trustees will oversee Leeds 2023's strategic direction, providing strong governance to ensure that Leeds 2023 delivers on its vision and objectives.

Upon appointment each trustee signed a Trustee Declaration Form and had sight of the Charity Commission's Guidance The essential trustee: what you need to know, what you need to do along with a Conflicts of Interest policy and register.

The charity is led by a senior management team comprising:

- Kully Thiarai, Creative Director
- Mark Hollander, Executive Director
- Abigail Scott Paul, Director of External Relations (came in to post May 2020)

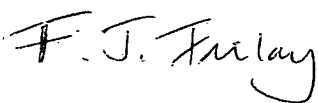
#### **Auditor**

Sagars Accountants Ltd is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

#### **Disclosure of information to auditor**

So far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information of which the charity's auditor is unaware. Additionally, each trustee has taken all the necessary steps that they ought to have taken as a trustee in order to make themselves aware of all relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' report was approved by the Board of Trustees.



F Finlay  
Trustee

Dated: 21 September 2021

# **LEEDS CULTURE TRUST**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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The trustees, who are also the directors of Leeds Culture Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEEDS CULTURE TRUST

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## Opinion

We have audited the financial statements of Leeds Culture Trust ('the charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of 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

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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.

## Other information

The trustees are responsible for the other information contained within the annual report. 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 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 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 our audit

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEEDS CULTURE TRUST (CONTINUED)**

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

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 6, 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 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019.

We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEEDS CULTURE TRUST (CONTINUED)

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In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud.

The laws and regulations we considered in this context were Charities Commission Regulations and requirements from funders.

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.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and donation income and the override of controls by management.

Our audit procedures to respond to these risks included:

- enquiries of management and the Trustees about their own identification and assessment of the risks of
- sample testing on the posting of journals,
- reviewing accounting estimates for biases,
- reviewing contracts and carrying out detailed substantive testing on the completeness of income,
- reading minutes of meetings of those charged with governance; and
- obtaining confirmation from the trustees that there was no regulatory correspondence with the Charity Commission.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Susan Seaman BA FCA CIOT  
(Senior Statutory Auditor)

SAGARS ACCOUNTANTS LTD  
Chartered Accountants & Statutory Auditor  
Gresham House  
5-7 St Paul's Street  
Leeds  
LS1 2JG

23 September 2021

# LEEDS CULTURE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted £	2021 Restricted £	Total £	2020 Total £
<b><u>Income from:</u></b>					
Donations	2	20,000	-	20,000	2,500
Charitable Activities	3	1,845,000	213,745	2,058,745	1,485,000
Other income	4	4,373	-	4,373	713
<b>Total income</b>		<b>1,869,373</b>	<b>213,745</b>	<b>2,083,118</b>	<b>1,488,213</b>
<b><u>Expenditure on:</u></b>					
Charitable activities	5	1,001,898	105,204	1,107,102	214,695
<b>Net income for the year/ Net movement in funds</b>		<b>867,475</b>	<b>108,541</b>	<b>976,016</b>	<b>1,273,518</b>
Total funds brought forward		1,273,518	-	1,273,518	-
<b>Total funds carried forward</b>		<b>2,140,993</b>	<b>108,541</b>	<b>2,249,534</b>	<b>1,273,518</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

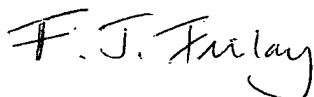
A comparative statement of financial activities for 2020 is not provided as all activity in 2020 was in relation to unrestricted funds.

**LEEDS CULTURE TRUST****BALANCE SHEET****AS AT 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	11		16,396		9,595
<b>Current assets</b>					
Debtors	12	55,979		497	
Cash at bank and in hand		2,422,642		1,279,362	
		2,478,621		1,279,859	
<b>Creditors: amounts falling due within one year</b>	13	(245,483)		(15,936)	
Net current assets			2,233,138		1,263,923
<b>Total assets less current liabilities</b>			2,249,534		1,273,518
<b>Income funds</b>					
Restricted funds	14		108,541		-
Unrestricted funds:					
Designated funds	14	1,612,173		575,000	
General funds	14	528,820		698,518	
Total unrestricted funds			2,140,993		1,273,518
			2,249,534		1,273,518

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Trustees on 21 September 2021.



F Finlay  
Trustee

**LEEDS CULTURE TRUST**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	15		1,153,472		1,289,840
<b>Investing activities</b>					
Purchase of tangible fixed assets		(10,192)		(10,478)	
<b>Net cash used in investing activities</b>			(10,192)		(10,478)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			1,143,280		1,279,362
Cash and cash equivalents at beginning of year			1,279,362		-
<b>Cash and cash equivalents at end of year</b>			2,422,642		1,279,362

# LEEDS CULTURE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

##### Charity information

Leeds Culture Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Marshall Mills, Marshall Street, Leeds, LS11 9YJ.

The charitable company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets of liabilities of the charitable company on winding up such amounts as may be required not exceeding £1.

##### Accounting convention

The financial statements have been prepared in accordance with the charitable company's memorandum and articles of association, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, (FRS 102) (effective 1 January 2019)", the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

##### Going concern

At the time of approving the financial statements and in light of the ongoing Covid-19 pandemic, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity anticipates that it will continue to receive funding from Leeds City Council as agreed and scheduled over the next few years, up to and including January 2024. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are funds which are used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

##### Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. Grants of a general nature that are not conditional on delivering certain levels of service are included in donations and legacies.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

# LEEDS CULTURE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies (Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

#### **Resources expended**

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for its expenditure. All costs have been directly attributed or proportionally charged to the functional categories of resources expended in the SOFA.

Expenditure on charitable activities comprises the costs of programming and delivery, partnerships and development, and marketing and communications. These costs are classified as direct charitable expenses.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. The costs include those related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the charity. Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the charity.

All remaining costs are classified as support costs. The bases on which support costs have been allocated are set out in note 7.

#### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office and IT equipment	25% straight line basis
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### **Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.



# LEEDS CULTURE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies (Continued)

##### **Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

##### **Basic financial assets**

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

##### **Basic financial liabilities**

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

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

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

##### **Derecognition of financial liabilities**

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

##### **Taxation**

As a registered charity, the company is exempt from corporation tax on surpluses arising from its charitable activities during the year.

##### **Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# LEEDS CULTURE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 1 Accounting policies (Continued)

##### Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Details of these judgements are set out in the accounting policies.

#### 2 Income from donations

	Unrestricted £	2021 Restricted £	Total £	2020 Total £
<b>Income from:</b>				
Donations	5,000	-	5,000	-
Donations in kind	15,000	-	15,000	2,500
<b>Total income from donations</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>	<b>2,500</b>

#### 3 Income from Charitable Activities

	Unrestricted £	2021 Restricted £	Total £	2020 Total £
<b>Grants receivable:</b>				
Leeds City Council	1,790,000	-	1,790,000	1,485,000
University of Leeds	55,000	-	55,000	-
Trusts & Foundations	-	17,500	17,500	-
British Council	-	100,000	100,000	-
Festival 2022	-	96,245	96,245	-
<b>Total funds carried forward</b>	<b>1,845,000</b>	<b>213,745</b>	<b>2,058,745</b>	<b>1,485,000</b>

Leeds Culture Trust has signed agreements with Leeds City Council to provide grant funding totalling £10,745,000 over a five-year period. Income for the financial year has been recognised in line with the grant agreement payment schedule. Future income will also be recognised on a receipts basis which has been scheduled in line with the anticipated delivery timeframe of the project and the budgeted expenditure.

#### 4 Other income

	2021 £	2020 £
Other income	4,373	713

# LEEDS CULTURE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 5 Charitable activities

	Programming and delivery	Partnerships and development	Marketing and comms	Total 2021	Total 2020
	£	£	£	£	£
Staff costs	351,966	28,037	5,208	385,211	56,001
Depreciation and impairment	3,391	-	-	3,391	883
Recruitment costs	648	3,459	828	4,935	3,867
Artistic programme	131,285	-	-	131,285	29,452
Travelling expenses	624	-	-	624	12,224
Advertising	-	-	117,129	117,129	6,913
Volunteering programme	-	1,000	-	1,000	-
Development costs	-	33,840	-	33,840	-
Research	-	16,040	-	16,040	-
	<u>487,914</u>	<u>82,376</u>	<u>123,165</u>	<u>693,455</u>	<u>109,340</u>
Grant funding of activities (note 6)	329,852	-	-	329,852	45,000
Share of support costs (note 7)	48,951	10,968	16,398	76,317	51,979
Share of governance costs (note 7)	6,833	544	101	7,478	8,376
	<u>873,550</u>	<u>93,888</u>	<u>139,664</u>	<u>1,107,102</u>	<u>214,695</u>
<b>Analysis by fund</b>					
Restricted funds	105,204	-	-	105,204	-
Unrestricted funds	768,346	93,888	139,664	1,001,898	214,695
	<u>873,550</u>	<u>93,888</u>	<u>139,664</u>	<u>1,107,102</u>	<u>214,695</u>

# LEEDS CULTURE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 6 Grants payable

	2021 £	2020 £
Grants to institutions in support of cultural projects:		
David Oluwale Memorial Association to support the development of Hibiscus Rising, a sculpture created by Yinka Shonibare CBE in response to the life and death of David Oluwale	37,500	-
Slung Low Limited for the development of the Leeds People's Theatre, which is several hundred citizens of Leeds who create large scale, political productions with teams of professional theatre and filmmakers	20,000	-
The Grief Series to support spatial and participation research for the development of All That Lives, production of 'Funeral' event and creation of Mexican 'Ofrenda' shrine	20,000	-
The Performance Ensemble to support the development of 'The Promise of a Garden' Project: performance, stories, music, dance, life in August 2021 in the Quarry Theatre at Leeds Playhouse	52,000	18,000
Transform Festival to support the research and development of 'Transform 23' Festival	50,000	-
Tutti Frutti Productions to support the development of Little Live Stories, a testing ground for a city-wide children's theatre programme in 2023 and to support the development of a children's theatre partnership consortium	20,000	-
Yorkshire Sculpture International towards the research and development of Yorkshire Sculpture International 2023	25,000	-
Other research and development grants under £20,000	105,352	27,000
	<u>329,852</u>	<u>45,000</u>

# LEEDS CULTURE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 7 Analysis of governance and support costs

	Programming and delivery	Partnerships and development	Marketing and comms	Total 2021	Total 2020
	£	£	£	£	£
<b>Support costs</b>					
Insurance	1,285	288	431	2,004	1,358
Professional fees	29,396	6,586	9,847	45,829	41,804
Subscriptions	310	70	104	484	1,681
Computer running costs	3,717	833	1,245	5,795	2,794
HR costs	4,640	1,039	1,554	7,233	209
Telephone	1,502	336	503	2,341	461
Training and development	5,221	1,170	1,749	8,140	324
Rent	2,851	639	955	4,445	2,160
Sundry expenses	29	7	10	46	655
Travelling expenses	-	-	-	-	533
	<u>48,951</u>	<u>10,968</u>	<u>16,398</u>	<u>76,317</u>	<u>51,979</u>
<b>Governance costs</b>					
Audit fees	3,244	258	48	3,550	3,540
Accountancy fees	-	-	-	-	3,700
Legal fees	3,061	244	45	3,350	-
Sundry expenses	528	42	8	578	809
Travelling expenses	-	-	-	-	327
	<u>6,833</u>	<u>544</u>	<u>101</u>	<u>7,478</u>	<u>8,376</u>

#### Basis of allocation – support costs:

Support costs have been allocated on the basis of the cost of direct charitable activities.

#### Basis of allocation – governance costs:

Governance costs have been allocated on the basis of the cost of direct charitable activities.

# LEEDS CULTURE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2020: none).

During the year, none of the trustees were reimbursed expenses (2020: three trustees; £4,078 related to travelling costs).

#### 9 Employees

##### Number of employees

The average monthly number employees during the year was:

	2021 Number	2020 Number
	7	2

##### Employment costs

	2021 £	2020 £
Wages and salaries	350,303	51,745
Social security costs	40,131	3,051
Other pension costs	12,939	1,205
	<u>403,373</u>	<u>56,001</u>

The number of employees whose emoluments (excluding pension contributions, employer's social security costs but including benefits in kind) fell within the following bands:

	2021 Number	2020 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	1	-
£80,001 - £90,000	-	-
£90,001 - £100,000	1	-

##### Key management personnel remuneration

The trustees consider the board of trustees, the Creative Director, the Executive Director and the Director of External Relations as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis.

The total employee benefits of the key management personnel of the charity were £278,551 (2020 - £40,587). This includes pension contributions of £10,573 (2020 - £919) during the year.

# LEEDS CULTURE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

10 Net movement in funds	2021 £	2020 £
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Net movement in funds is stated after charging/(crediting)

Fees payable to the company's auditor for the audit of the company's financial statements

3,550                      3,540

Depreciation of owned tangible fixed assets

3,391                      883

### 11 Tangible fixed assets

	Office Equipment £	Computer Equipment £	Total £
<b>Cost</b>			
At 31 March 2020	1,908	8,570	10,478
Additions	-	10,192	10,192
At 31 March 2021	<u>1,908</u>	<u>18,762</u>	<u>20,670</u>
<b>Depreciation &amp; impairment</b>			
At 31 March 2020	243	640	883
Depreciation charged in the year	636	2,755	3,391
At 31 March 2021	<u>879</u>	<u>3,395</u>	<u>4,274</u>
<b>Carrying amount</b>			
At 31 March 2021	<u>1,029</u>	<u>15,367</u>	<u>16,396</u>
At 31 March 2020	<u>1,665</u>	<u>7,930</u>	<u>9,595</u>

# LEEDS CULTURE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 12 Debtors

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Grants receivable	55,000	-
Prepayments and accrued income	979	497
	<u>55,979</u>	<u>497</u>

#### 13 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	32,425	11,095
Grants payable	143,102	-
Accruals and deferred income	58,044	4,841
Social security and other taxes	11,912	-
	<u>245,483</u>	<u>15,936</u>

The above grants payable are expected to be paid during the year ended 31 March 2022.

#### Movement in recognised provisions and funding commitments during the year

	2021	2020
	£	£
Grants commitments recognised at 1 April 2020	-	-
New grant commitments charged to the SOFA in the year	329,852	45,000
Grants paid during the year	(186,750)	(45,000)
	<u>143,102</u>	<u>-</u>
Grants commitments recognised at 31 March 2021		



# LEEDS CULTURE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 14 Movement in funds

	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£
<b><u>Restricted funds</u></b>					
British Council	-	100,000	-	-	100,000
Festival 2022	-	96,245	(96,245)	-	-
IVE	-	17,500	(8,959)	-	8,541
Total restricted funds	-	213,745	(105,204)	-	108,541
Unrestricted funds	698,518	1,869,373	(1,001,898)	(1,037,173)	528,820
Designated funds	575,000	-	-	1,037,173	1,612,173
	<u>1,273,518</u>	<u>2,083,118</u>	<u>(1,107,102)</u>	<u>-</u>	<u>2,249,534</u>
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	Balance at 31 March 2020
	£	£	£	£	£
Restricted Funds	-	-	-	-	-
Unrestricted funds	-	1,488,213	(214,695)	(575,000)	698,518
Designated funds	-	-	-	575,000	575,000
	<u>-</u>	<u>1,488,213</u>	<u>(214,695)</u>	<u>-</u>	<u>1,273,518</u>

The British Council fund represents £100,000 from The British Council to support Research and Development work by Leeds 2023 to explore some early creative ideas that will encourage artists to connect with their diaspora heritage, build new bridges that link the past with the future and expand on their artistic practice; explore new artistic avenues and projects that utilise new technologies and digital connections; and maximise the opportunity afforded by the 75th anniversary of the arrival of Empire Windrush to celebrate and recognise the contribution made by the diaspora communities on the cultural life of the UK.

Festival UK8 2022 provided £96,245 for an R&D project by a creative consortium led by Leeds 2023

£17,500 was provided by IVE for Leeds 2023 to collaborate in the research, development and implementation of creating a city wide response to the pre-existing challenge of inequality of access, and also respond creatively to the major challenges which it will need to overcome if it is to provide a rich arts and cultural offer for children and young people post-COVID-19.

Designated funds are earmarked by the trustees for the Programme Development Fund.

#### Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fixed assets	16,396	-	16,396
Current assets	2,370,080	108,541	2,478,621
Creditors: amounts falling due within one year	(245,483)	-	(245,483)
	<u>2,140,993</u>	<u>108,541</u>	<u>2,249,534</u>

# LEEDS CULTURE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

15	Cash generated from operations	2021 £	2020 £
	(Deficit)/surplus for the year	976,016	1,273,518
	Adjustments for:		
	Depreciation and impairment of tangible fixed assets	3,391	883
	Movements in working capital:		
	(Increase) in debtors	(55,482)	(497)
	Increase in creditors	229,547	15,936
	<b>Cash generated from/(absorbed by) operations</b>	<b>1,153,472</b>	<b>1,289,840</b>

### 16 Related party transactions

During the year, payments totalling £4,800 (2020: £nil) were made to the spouse of a trustee for consultancy on the strategic plan. No payments were made to Under the Moon Ltd (2020: £26,879 for fees and expenses) of which one of the trustees is the director.

Funding of £55,000 (2020: £nil) was received from the University of Leeds and a further £15,000 was received in kind (2020: £nil) to cover staff costs. Payments totalling £9,360 were made for services provided to the Festival 22 project by University of Leeds staff: a trustee is employed by the University of Leeds.

Grant funding of £1,790,000 (2020: £1,485,000) was received from Leeds City Council and no invoiced income was received (2020: £712 for recharge of consultancy costs for start-up) and payments totalling £12,650 were made as a contribution to the overall cost of the National Poetry Centre development consultant (2020: £561 for room hire and Light Night sponsorship): two trustees were Leeds City Council's representatives on the board of trustees.

The trustees believe that there are no other related party transactions to disclose.