



CultureNL Trading C.I.C.

Report and Financial Statements

For the year ended 31 March 2018

Company number – SC441869

CultureNL Trading C.I.C
Report and Financial Statements
For the year ended 31 March 2018

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CultureNL Trading C.I.C
Company Information
For the year ended 31 March 2018

Directors

Partner Directors

Heather McVey (Chair)

Michael McPake

Alan Stevenson

Resigned 25 May 2017

Paul Kelly

Resigned 25 May 2017

Robert Burrows

Resigned 25 May 2017

Charles Cefferty

Resigned 25 May 2017

Trevor Douglas

Appointed 30 May 2017

Kirsten Larson

Resigned 14 December 2017

Olivia Carson

Appointed 30 May 2017

Cameron McManus

Appointed 14 August 2017

Shahid Farooq

Appointed 14 December 2017

Independent Directors

James Law

Resigned 31 March 2018

John Lambert

Alison Denvir

Resigned 4 March 2018

Adam Smith

David Craig

Karen Fleming (Trade Union Director)

Resigned 13 December 2017

Gillian Hunt (Employee Director)

Resigned 18 September 2017

Richard Stratton (Employee Director)

Appointed 24 October 2017

Karen Allan

Appointed 21 June 2018

William Stewart

Appointed 21 June 2018

Secretary

Fiona Ekinli

CultureNL Chief Executive

Jillian Ferrie

Registered Office

Summerlee Museum of Scottish Industrial Life

Heritage Way

Coatbridge

Lanarkshire

ML5 1QD

Auditor

Scott-Moncrieff

Exchange Place 3

Semple Street

Edinburgh

EH3 8BL

Company registration number:

Bankers

Royal Bank of Scotland

113 Buchanan Street

Glasgow

G1 3PL

Solicitors

Anderson Strathern

1 Rutland Court

Edinburgh

EH3 8EY

SC441869

CultureNL Trading C.I.C
Directors' Report
For the year ended 31 March 2018

The directors present their report and financial statements of the company for the year ended 31 March 2018.

Principal Activity

The principal activity and core business of the company is the provision of catering facilities for the parent Charity; CultureNL.

Results for the Year

The net profit / (loss) before taxation amounted to £0 (2017: £0).

Directors

The directors of the company are shown on Page 1 unless otherwise indicated, these Directors held office throughout the year and to the date of these financial statements.

Directors Indemnities

Third party indemnity insurance was paid by CultureNL during the period for the benefit of the directors of CultureNL Trading C.I.C.

Going Concern

The board of directors are aware that changes are required within the Trading C.I.C. Action was taken during the period of the accounts that has resulted in an improvement in the performance of the Trading C.I.C. A new structure has been created and has been implemented; this will result in turning the current losses into a profitable business. It is anticipated that it will breakeven in 2018/2019, after which the Trading C.I.C. will make a contribution to the Charitable Parent Company. The organisation continues to adopt the going concern basis in preparing these financial statements on the basis that it has access to funding.

Disclosure of Information to Auditor

To the best knowledge and belief of the directors, there is no relevant audit information that the company's auditor is not aware of, and the directors have taken all the steps necessary to be taken as a director in order to make themselves aware of any relevant audit information, and to establish that the company's auditor is aware of that information.

Auditor

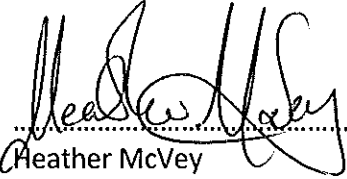
The auditor, Scott-Moncrieff, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

CultureNL Trading C.I.C
Directors' Report
For the year ended 31 March 2018

Small company exemptions

The above report has been prepared in accordance with the special provision relating to small companies within part 15 of the Companies Act 2006.

This report was approved by the Board on 1 October 2018 and signed on its behalf by:



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Heather McVey
Chair of the Board
CultureNL Trading C.I.C

CultureNL Trading C.I.C
Statement of Directors' Responsibilities
For the year ended 31 March 2018

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

CultureNL Trading C.I.C
Independent Auditor's Report
For the year ended 31 March 2018

Independent Auditor's Report to the Members of CultureNL Trading C.I.C

Opinion

We have audited the financial statements of CultureNL Trading C.I.C for the year ended 31 March 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its results 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 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 audit opinion.

Conclusions relating to going concern

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

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

the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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 directors' remuneration specified by law are not made; or

CultureNL Trading C.I.C
Independent Auditor's Report
For the year ended 31 March 2018

- we have not received all the information and explanations we require for our audit; or
- the directors 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 Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of the directors

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

CultureNL Trading C.I.C
Independent Auditor's Report
For the year ended 31 March 2018

Use of our report

This report is made solely to the 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 company's members, as a body, 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Nick Bennett, Senior Statutory Auditor
For and on behalf of Scott-Moncrieff, Statutory Auditor
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date: 1 October 2018

CultureNL Trading C.I.C
Statement of Comprehensive Income
For the year ended 31 March 2018

| | Note | 2018 £ | 2017 £ |
|---|------|-----------------|-----------------|
| Turnover | 5 | 1,906,165 | 1,621,114 |
| Cost of Sales | | (1,876,699) | (1,591,283) |
| Gross Profit | 6 | <u>29,466</u> | <u>29,831</u> |
| Administrative expenses | | (29,466) | (29,831) |
| Operating profit/(loss) | | <u>0</u> | <u>0</u> |
| Other interest receivable and similar income | | <u>0</u> | <u>0</u> |
| Profit/(loss) on ordinary activities before taxation | | 0 | 0 |
| Tax on profit / (loss) on ordinary activities | | <u>0</u> | <u>0</u> |
| Profit/(loss) on ordinary activities after taxation | | <u><u>0</u></u> | <u><u>0</u></u> |

None of the company's activities were acquired or discontinued during the above period.

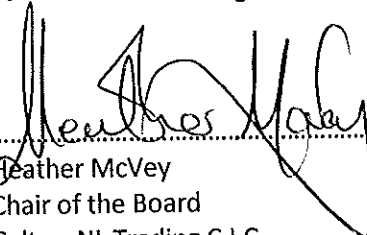
The notes on pages 12 to 17 form part of these financial statements.

CultureNL Trading C.I.C
 Balance Sheet
 As at 31 March 2018

| | Notes | 2018 £ | 2017 £ |
|---|-------|------------------|------------------|
| Current assets | | | |
| Stock | | 57,243 | 45,749 |
| Debtors | 9 | 251,483 | 169,835 |
| Cash at bank and in hand | 10 | 6,410 | 5,910 |
| | | <u>315,136</u> | <u>221,494</u> |
| Creditors: Amounts falling due within one year | | | |
| | 11 | <u>(315,135)</u> | <u>(221,493)</u> |
| Net current assets | | <u>1</u> | <u>1</u> |
| Total assets less current liabilities | | <u><u>1</u></u> | <u><u>1</u></u> |
| Capital and Reserves | | | |
| Profit and loss reserve | 14 | 0 | 0 |
| Called up share capital | 13 | 1 | 1 |
| | | <u>1</u> | <u>1</u> |
| | | <u><u>1</u></u> | <u><u>1</u></u> |

The financial statements have been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the Board of Directors on 1 October 2018 and signed on its behalf by:



 Heather McVey
 Chair of the Board
 CultureNL Trading C.I.C

Company No: SC441869

The notes on pages 12 to 17 form part of these financial statements

CultureNL Trading C.I.C
Statement of changes in equity
For the year ended 31 March 2018

Year ended 31 March 2018

| | Share capital | Retained earnings | Total equity |
|--|---------------|-------------------|--------------|
| | £ | £ | £ |
| At 1 April 2017 | 1 | - | 1 |
| Comprehensive income for the year | | | |
| Profit for the year | - | - | - |
| Total comprehensive income for the year | - | - | - |
| Total transactions with shareholders | - | - | - |
| At 31 March 2018 | 1 | - | 1 |

Statement of changes in equity

For the year ended 31 March 2017

| | Share capital | Retained earnings | Total equity |
|--|---------------|-------------------|--------------|
| | £ | £ | £ |
| At 1 April 2016 | 1 | - | 1 |
| Comprehensive income for the year | | | |
| Profit for the year | - | - | - |
| Total comprehensive income for the year | - | - | - |
| Total transactions with shareholders | - | - | - |
| At 31 March 2017 | 1 | - | 1 |

CultureNL Trading C.I.C
Notes to the Financial Statements
For the year ended 31 March 2018

1. General Information

The principal activity and core business of the company is the provision of catering facilities for the parent Charity; CultureNL.

CultureNL Trading C.I.C is a United Kingdom company limited by shares. It is both incorporated and domiciled in Scotland. The address of its registered office is Summerlee Museum of Scottish Industrial Life, Heritage Way, Coatbridge, Lanarkshire, ML5 1QD.

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the company's transactions are denominated. They comprise the financial statements of CultureNL Trading C.I.C drawn up for the year ended 31 March 2018.

2. Statement of Compliance

The financial statements are prepared in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' issued by the Financial Reporting Council and the Companies Act 2006.

3. Accounting Policies

Basis of preparation of the financial statements

The financial statements are prepared under historical cost convention and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 4).

The particular accounting policies adopted are described below and have been applied consistently throughout the current period.

Going concern

The board of directors are aware that changes are required within the Trading C.I.C. Action was taken during the period of the accounts that has resulted in an improvement in the performance of the Trading C.I.C. A new structure has been created and has been implemented; this will result in turning the current losses into a profitable business. It is anticipated that it will breakeven in 2018/2019, after which the Trading C.I.C. will make a contribution to the Charitable Parent Company. The organisation continues to adopt the going concern basis in preparing these financial statements on the basis that it has access to funding.

Cash flow statement

The company has not presented a cash flow statement. It has taken advantage of the exemption contained in FRS 102 as the parent company, CultureNL, has included a consolidated cash flow statement within its group financial statements for the year ended 31 March 2018 (see note 15).

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and
- the costs incurred and the costs to complete the contract can be measured reliably.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Stock

Stocks are valued at the lower of cost and net realisable value in the ordinary course of activities.

Net realisable value is based on the estimated selling price less further costs to completion and disposal.

CultureNL Trading C.I.C
Notes to the Financial Statements
For the year ended 31 March 2018

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances with banks and are measured at fair value.

4. Judgement in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The directors do not consider there to be any accounting judgements required in preparing these accounts. The directors are satisfied that accounting policies are appropriate and applied consistently.

5. Analysis of turnover

| | | |
|--|------------------|------------------|
| An analysis of turnover by class of business is as follows | 2018 | 2017 |
| | £ | £ |
| Rendering of services | <u>1,906,165</u> | <u>1,621,114</u> |

6. Operating profit/(loss)

| | | |
|---|------------|------------|
| | 2018 | 2017 |
| | £ | £ |
| Operating profit/(loss) is stated after charging: | | |
| Auditor's remuneration | <u>893</u> | <u>893</u> |

CultureNL Trading C.I.C
Notes to the Financial Statements
For the year ended 31 March 2018

7. Tax on profit on ordinary activities

There were no factors that affected the tax charge for the year. The company broke even on ordinary activities before tax in the year. There were no factors that may affect future tax charges.

8. Information regarding staff and directors

The company has no employees. Staff costs are recharged from CultureNL Limited. Recharged staff costs during the year amounted to £1,037,302 (2017: £891,964).

The directors did not receive any emoluments during the year.

9. Debtors

| | 2018 | 2017 |
|---------------|-----------------------|-----------------------|
| | £ | £ |
| Trade debtors | 251,483 | 169,835 |
| | <u>251,483</u> | <u>169,835</u> |
| | <u><u>251,483</u></u> | <u><u>169,835</u></u> |

10. Cash and cash equivalents

| | 2018 | 2017 |
|--------------------------|---------------------|---------------------|
| | £ | £ |
| Cash at bank and in hand | 6,410 | 5,910 |
| | <u>6,410</u> | <u>5,910</u> |
| | <u><u>6,410</u></u> | <u><u>5,910</u></u> |

11. Creditors: Amounts falling due within one year

| | 2018 | 2017 |
|-----------------|-----------------------|-----------------------|
| | £ | £ |
| Trade creditors | 315,135 | 221,493 |
| | <u>315,135</u> | <u>221,493</u> |
| | <u><u>315,135</u></u> | <u><u>221,493</u></u> |

CultureNL Trading C.I.C
Notes to the Financial Statements
For the year ended 31 March 2018

12. Financial assets and liabilities

| | 2018 £ | 2017 £ |
|--|-----------------|-----------------|
| Financial assets | | |
| Financial assets measured at amortised cost | 257,893 | 175,745 |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | (315,135) | (221,493) |
| | <u>(57,242)</u> | <u>(45,748)</u> |

Financial assets comprise trade debtors and cash at bank and in hand.

Financial liabilities comprise trade creditors.

13. Called-up Share Capital

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Allotted, called up and fully paid during the period | | |
| Equity shares: | | |
| Ordinary shares of £1 each | 1 | 1 |
| | <u>1</u> | <u>1</u> |

14. Reserves

The profit and loss account includes all current period retained profits and losses.

15. Ultimate parent company

CultureNL Trading C.I.C is a subsidiary of CultureNL Limited, a company limited by guarantee, registered in Scotland and a registered charity (number SC043891).

The largest group into which the results of the company are consolidated is North Lanarkshire Council. The consolidated financial statement of North Lanarkshire Council may be obtained from the Civic Centre, Windmillhill Street, Motherwell, ML1 1AB.

16. Related Parties

The company has elected to take advantage of the exemption from disclosure of transactions with group companies and investees of the group qualifying as related parties, available to wholly owned subsidiary under FRS 102 on the basis that the group financial statements are publicly available (note 15).

17. Other Professional Services Provided by the Auditor

In common with many other businesses of its size and nature the company uses its auditors to prepare and submit returns to the tax authorities.

