



CultureNL Trading C.I.C.

Report and Financial Statements

For the year ended 31 March 2019

Company number – SC441869

CultureNL Trading C.I.C
Report and Financial Statements
For the year ended 31 March 2019

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CultureNL Trading C.I.C
Company Information
For the year ended 31 March 2019

Directors

Partner Directors	Appointment date	Resignation date
Heather McVey (Chair)	18 th February 2013	22 nd June 2019
Michael McPake	18 th February 2013	22 nd June 2019
Olivia Carson	30 th May 2017	22 nd June 2019
Cameron McManus	14 th August 2017	22 nd June 2019
Shahid Farooq	14 th December 2017	8 th January 2019
Thomas Johnston	8 th January 2019	22 nd June 2019
Trevor Douglas	30 th May 2017	13 th November 2019
Frank McNally	22 nd June 2019	
Louise Roarty	22 nd June 2019	14 th November 2019
Jordan Linden	22 nd June 2019	15 th November 2019
Fiona Fotheringham	22 nd June 2019	15 th November 2019
Robert Burgess	22 nd June 2019	13 th November 2019
Alan Beveridge	22 nd June 2019	
Andrew Thomas McPherson	17 th December 2019	
Nicole Paterson	17 th December 2019	
Stephen Penman	17 th December 2019	
Rose Anne Munro	17 th December 2019	
Independent Directors		
John Lambert	15 th April 2013	3 rd September 2019
Adam Smith	15 th April 2013	22 nd June 2019
David Craig	28 th April 2015	15 th November 2019
Richard Stratton (Employee Director)	24 th October 2017	22 nd June 2019
Karen Allan	21 st June 2018	1 st October 2018
Derek Gamble (Chair)	22 nd June 2019	
Kathleen McLoughlin	22 nd June 2019	
Gregor McKenzie	22 nd June 2019	
Robert McCallum	22 nd June 2019	
William Stewart	21 st June 2018	
Willie Shearer (Trade Union Director)	9 th July 2019	
James Sweeney	17 th December 2019	
William Thomson Craik	17 th December 2019	

Company Secretary
CultureNL Chief Executive

Fiona Ekinli
Jillian Ferrie

CultureNL Trading C.I.C
Company Information
For the year ended 31 March 2019

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 2019

The directors present their report and financial statements of the company for the year ended 31 March 2019.

Principal Activity

The principal activity and core business of the company is the provision of catering facilities for the parent Charity; Culture and Leisure NL Ltd (formerly CultureNL Ltd).

Results for the Year

The net profit / (loss) before taxation amounted to £0 (2018: £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 Culture and Leisure NL Ltd (formerly CultureNL Ltd) 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 taken during the period of the financial statements however has not resulted in the anticipated improvement in the performance of the Trading C.I.C. Currently a review of all venues and overheads is being carried out to provide the Board with information on changes to staffing, opening hours, seasonal opening etc. Since the end of the accounting period, three catering venues have been closed having been identified as unprofitable. A breakeven budget has been set for 2019/20 which includes the requirement to achieve additional savings. It is anticipated that it will breakeven in 2019/2020, 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

Messers Scott-Moncrieff, Chartered Accountants are the Auditors of the company for the

CultureNL Trading C.I.C
Directors' Report
For the year ended 31 March 2019

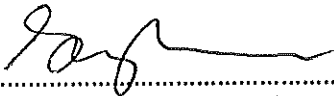
accounting period to 31st March 2019.

Messers RSM, Chartered Accountants have been appointed as the Auditors for the accounting period to 31st March 2020.

Small company exemptions

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

This report was approved by the Board on 17th December 2019 and signed on its behalf by:


.....
STEPHEN PORMAN

Chair of the Board
CultureNL Trading C.I.C

CultureNL Trading C.I.C
Statement of Directors' Responsibilities
For the year ended 31 March 2019

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 2019

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 2019, 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 2019 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 2019

- 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 5, 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 2019

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: 17 December 2019

CultureNL Trading C.I.C
Statement of Comprehensive Income
For the year ended 31 March 2019

	Note	2019 £	2018 £
Turnover	5	2,019,037	1,906,165
Cost of Sales		(2,009,530)	(1,876,699)
Gross Profit		9,507	29,466
Administrative expenses		(9,507)	(29,466)
Operating profit/(loss)	6	0	0
Other interest receivable and similar income		0	0
Profit/(loss) on ordinary activities before taxation		0	0
Tax on profit / (loss) on ordinary activities		0	0
Profit/(loss) on ordinary activities after taxation		0	0

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

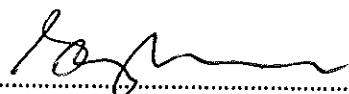
The notes on pages 13 to 18 form part of these financial statements.

CultureNL Trading C.I.C
 Balance Sheet
 As at 31 March 2019

	Notes	2019 £	2018 £
Current assets			
Stock		44,263	57,243
Debtors	9	353,986	251,483
Cash at bank and in hand	10	5,910	6,410
		<u>404,159</u>	<u>315,136</u>
Creditors: Amounts falling due within one year			
	11	<u>(404,158)</u>	<u>(315,135)</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 17th December 2019 and signed on its behalf by:



STEPHEN PENMAN

Chair of the Board
 CultureNL Trading C.I.C

Company No: SC441869

The notes on pages 13 to 18 form part of these financial statements

CultureNL Trading C.I.C
Statement of changes in equity
For the year ended 31 March 2019

Year ended 31 March 2019

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2018	1	-	1
Comprehensive income for the year			
Profit for the year	-	-	-
Total comprehensive income for the year	-	-	-
Total transactions with shareholders	-	-	-
At 31 March 2019	1	-	1

Statement of changes in equity
For the 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

CultureNL Trading C.I.C
Notes to the Financial Statements
For the year ended 31 March 2019

1. General Information

The principal activity and core business of the company is the provision of catering facilities for the parent Charity; Culture and Leisure NL Ltd (formerly CultureNL Ltd).

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 2019.

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 taken during the period of the financial statements however has not resulted in the anticipated improvement in the performance of the Trading C.I.C. Currently a review of all venues and overheads is being carried out to provide the Board with information on changes to staffing, opening hours, seasonal opening etc. Since the end of the accounting period, three catering venues have been closed having been identified as unprofitable. A breakeven budget has been set for 2019/20 which includes the requirement to achieve additional savings. It is anticipated that it will breakeven in 2019/2020, after which the Trading C.I.C. will make a contribution to the

CultureNL Trading C.I.C
Notes to the Financial Statements
For the year ended 31 March 2019

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, Culture and Leisure NL Ltd (formerly CultureNL Ltd), has included a consolidated cash flow statement within its group financial statements for the year ended 31 March 2019 (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.

CultureNL Trading C.I.C
Notes to the Financial Statements
For the year ended 31 March 2019

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

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	2019	2018
	£	£
Rendering of services	<u>2,019,037</u>	<u>1,906,165</u>

6. Operating profit/(loss)

	2019	2018
	£	£
Operating profit/(loss) is stated after charging:		
Auditor's remuneration	<u>900</u>	<u>893</u>

CultureNL Trading C.I.C
Notes to the Financial Statements
For the year ended 31 March 2019

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 Culture and Leisure NL Ltd (formerly CultureNL Ltd). Recharged staff costs during the year amounted to £1,125,391 (2018: £1,037,302).

The directors did not receive any emoluments during the year.

9. Debtors

	2019	2018
	£	£
Trade Debtors	313,858	217,605
Sundry Debtors	40,128	33,878
	<u>353,986</u>	<u>251,483</u>

10. Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	5,910	6,410
	<u>5,910</u>	<u>6,410</u>

11. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade Creditors	49,744	33,762
Sundry Creditors	354,414	281,373
	<u>404,158</u>	<u>315,135</u>

CultureNL Trading C.I.C
Notes to the Financial Statements
For the year ended 31 March 2019

12. Financial assets and liabilities

	2019 £	2018 £
Financial assets		
Financial assets measured at amortised cost	359,896	257,893
Financial liabilities		
Financial liabilities measured at amortised cost	(404,158)	(315,135)
	<u>(44,262)</u>	<u>(57,242)</u>

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

Financial liabilities comprise trade and sundry creditors.

13. Called-up Share Capital

	2019 £	2018 £
Allotted, called up and fully paid during the period		
Equity shares:		
Ordinary shares of £1 each	<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 Culture and Leisure NL Ltd (formerly CultureNL Ltd), 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

CultureNL Trading C.I.C
Notes to the Financial Statements
For the year ended 31 March 2019

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.