



CultureNL Trading C.I.C.

Report and Financial Statements

For the year ended 31 March 2020

Company number – SC441869

CultureNL Trading C.I.C
Report and Financial Statements
For the year ended 31 March 2020

Contents

Company Information	1
Directors' Report	3
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12

CultureNL Trading C.I.C
Company Information
For the year ended 31 March 2020

Directors

Partner Directors	Appointment date	Resignation date
Robert C. S. Turner	3 June 2020	
William Melrose Stewart		9 June 2020
William Thomson Craik	17 December 2019	
Rose Anne Munro	17 December 2019	
Stephen Penman	17 December 2019	
Nicole Paterson	17 December 2019	
Andrew Thomas McPherson	17 December 2019	
James Sweeney	17 December 2019	
Lindsay Robert Stewart	20 August 2020	
William Shearer	9 July 2019	13 August 2020
Frank McNally	22 June 2019	17 December 2019
Kathleen Elizabeth Mcloughlin	22 June 2019	17 December 2019
Derek Gamble	22 June 2019	17 December 2019
Gregor McKenzie	22 June 2019	17 December 2019
Robert McCallum	22 June 2019	17 December 2019
Alan Beveridge	22 June 2019	11 December 2019
Jordan James Linden	22 June 2019	15 November 2019
Louise Alexandra Roarty	22 June 2019	14 November 2019
Robert Burgess	22 June 2019	13 November 2019
Trevor Stewart Douglas		13 November 2019
David Crawford Craig		15 November 2019
Fiona Fotheringham	22 June 2019	15 November 2019
John Hastings Lambert		3 September 2019
Richard Michael Stratton		22 June 2019
Heather Andrea McVey		22 June 2019
Michael McPake		22 June 2019
Cameron William McManus		22 June 2019
Thomas Ross Johnston		22 June 2019
Adam Gordon Alexander Smith		22 June 2019
Olivia Carson		22 June 2019

Company Secretary

Archibald Henry Aitken Appointed 30 April 2020
Fiona Ekinli Resigned 30 April 2020

Chief Executive

Jillian Ferrie

CultureNL Trading C.I.C
Company Information
For the year ended 31 March 2020

Registered Office

Summerlee Museum of Scottish Industrial Life
Heritage Way
Coatbridge
Lanarkshire
ML5 1QD

Auditor

RSM UK Audit LLP
First Floor,
Quay 2,
139 Fountainbridge,
Edinburgh, EH3 9QG

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 2020

The directors present their report and financial statements of the company for the year ended 31 March 2020.

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 (2019: £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.

Insourcing to North Lanarkshire Council

At a committee meeting on January 31st 2020 approval was given to insource the delivery of Culture, Sport and Leisure Services to North Lanarkshire Council (NLC). This transfer of services will take place on April 1st 2021 and all assets and liabilities of Culture & Leisure NL Ltd (formerly Culture NL Ltd) and its subsidiaries will be donated to NLC for £nil consideration. This will result in Culture NL Trading C.I.C. ceasing to trade.

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 including the closure of three catering venues while reducing the losses at those venues has not resulted in as large an anticipated improvement in the performance of the Trading C.I.C. as hoped. The sustained closure due to COVID19 has obviously wiped out the anticipated profits from the profitable 2020/21 summer holiday period. The Management Team is currently reviewing the reopening of the C.I.C. and will provide a report to the Board in due course. As part of this process a budget will be set for 2020/21 which will be the final year of the C.I.C. and its parent Charity as both will be insourced in to North Lanarkshire Council on the 1st of April 2021 as detailed above. Therefore, the Directors have concluded that it is no longer appropriate to prepare the financial statements on a going concern basis. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting.

CultureNL Trading C.I.C
Directors' Report
For the year ended 31 March 2020

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.

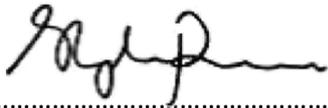
Auditor

RSM UK Audit LLP have been appointed as the Auditors for the accounting period to 31st March 2021.

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 11th November 2020 and signed on its behalf by:



.....
Stephen Penman
Chair of the Board
CultureNL Trading C.I.C

CultureNL Trading C.I.C
Statement of Directors' Responsibilities
For the year ended 31 March 2020

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 2020

Independent Auditor's report to the members of CultureNL Trading Community Interest Company

Opinion

We have audited the financial statements of CultureNL Trading Community Interest Company (the 'company') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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.

Emphasis of matter – Non-going concern basis of accounting

We draw attention to note 3 on page 12 of the financial statements which describes the preparation of the financial statements on a non-going concern basis. As described in note 3 on page 12, a decision was made in January 2020 to disband CultureNL Trading Community Interest Company as of 1 April 2021 and to return the services to the Council. CultureNL Trading Community Interest Company will therefore cease trading at that date, with operations continuing as part of North Lanarkshire Council. Therefore, the directors have concluded that it is no longer appropriate to prepare the financial statements on a going concern basis. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

CultureNL Trading C.I.C
Independent Auditor's Report
For the year ended 31 March 2020

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.

Opinions 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
- 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 exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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

CultureNL Trading C.I.C
Independent Auditor's Report
For the year ended 31 March 2020

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the 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 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.



.....

Kelly Adams MA, (hons), C.A. (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
First Floor, Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

Date:..... 24 November 2020

CultureNL Trading C.I.C
Statement of Comprehensive Income
For the year ended 31 March 2020

	Note	2020 £	2019 £
Turnover	5	1,702,702	2,019,037
Cost of Sales		(1,688,030)	(2,009,530)
Gross Profit		<u>14,672</u>	<u>9,507</u>
Administrative expenses		(14,672)	(9,507)
Operating profit/(loss)	6	<u>-</u>	<u>-</u>
Other interest receivable and similar income		<u>-</u>	<u>-</u>
Profit/(loss) on ordinary activities before taxation		-	-
Tax on profit / (loss) on ordinary activities		<u>-</u>	<u>-</u>
Profit/(loss) on ordinary activities after taxation		<u><u>-</u></u>	<u><u>-</u></u>

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

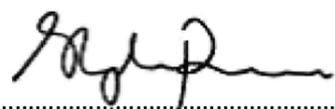
The notes on pages 12 to 16 form part of these financial statements.

CultureNL Trading C.I.C
Balance Sheet
As at 31 March 2020

	Notes	2020	2019
		£	£
Current assets			
Stock		31,041	44,263
Debtors	9	187,816	353,986
Cash at bank and in hand	10	8,500	5,910
		<u>227,357</u>	<u>404,159</u>
Creditors: Amounts falling due within one year			
	11	(227,356)	(404,158)
		<u>1</u>	<u>1</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	-	-
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 11th November 2020 and signed on its behalf by:



.....

Stephen Penman
 Chair of the Board
 CultureNL Trading C.I.C

Company No: SC441869

The notes on pages 12 to 16 form part of these financial statements

CultureNL Trading C.I.C
Statement of changes in equity
For the year ended 31 March 2020

Year ended 31 March 2020

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2019	1	-	1
Comprehensive income for the year			
Profit for the year	-	-	-
Total comprehensive income for the year	-	-	-
Total transactions with shareholders	-	-	-
At 31 March 2020	1	-	1

Statement of changes in equity
For the 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

CultureNL Trading C.I.C
Notes to the Financial Statements
For the year ended 31 March 2020

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 2020.

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 including the closure of three catering venues while reducing the losses at those venues has not resulted in as large an anticipated improvement in the performance of the Trading C.I.C. as hoped. The sustained closure due to COVID19 has obviously wiped out the anticipated profits from the profitable 2020/21 summer holiday period. The Management Team is currently reviewing the reopening of the C.I.C. and will provide a report to the Board in due course. As part of this process a budget will be set for 2020/21 which will be the final year of the C.I.C. and its parent Charity as both will be insourced in to North Lanarkshire Council on the 1st of April 2021 at which point all assets and liabilities of Culture NL Trading C.I.C

CultureNL Trading C.I.C
Notes to the Financial Statements
For the year ended 31 March 2020

will be donated to NLC for £nil consideration. CultureNL Trading Community Interest Company will therefore cease trading at that date, with operations continuing as part of North Lanarkshire Council. Therefore, the Directors have concluded that it is no longer appropriate to prepare the financial statements on a going concern basis. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting.
NLC

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 2020 (see note 14).

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.

CultureNL Trading C.I.C
Notes to the Financial Statements
For the year ended 31 March 2020

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.

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	2020	2019
	£	£
Rendering of services	<u>1,702,702</u>	<u>2,019,037</u>

6. Operating profit/(loss)

	2020	2019
	£	£
Operating profit/(loss) is stated after charging:		
Auditor's remuneration	<u>4,000</u>	<u>900</u>

CultureNL Trading C.I.C
Notes to the Financial Statements
For the year ended 31 March 2020

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 £983,308 (2019: £1,125,391).

The directors did not receive any emoluments or expenses during the year or the prior year.

9. Debtors

	2020	2019
	£	£
Trade Debtors	187,056	313,858
Sundry Debtors	760	40,128
	<u>187,816</u>	<u>353,986</u>

10. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	8,500	5,910
	<u>8,500</u>	<u>5,910</u>

11. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade Creditors	25,711	49,744
Sundry Creditors	201,645	354,414
	<u>227,356</u>	<u>404,158</u>

CultureNL Trading C.I.C
Notes to the Financial Statements
For the year ended 31 March 2020

12. Called-up Share Capital

	2020	2019
	£	£
Allotted, called up and fully paid during the period		
Equity shares:		
Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

13. Reserves

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

14. 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.

15. 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 14).

16. 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.