

Registered number: 01630237
Charity number: 515526

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

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THE ARKWRIGHT SOCIETY LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021

Trustees D H Williams, Chair (resigned 31 August 2021)
J Rivers, Chair (appointed 4 September 2021)
H M Redmond (resigned 10 September 2021)
Dr S Rawlinson (resigned 31 August 2021)
M Atkinson
G Pickup
G Lewins
Dr R Gaunt
W J Tracey
E E Pope (resigned 13 September 2021)
H Bishop (appointed 20 October 2021)
A Rawlings (appointed 20 October 2021)

Company registered number 01630237

Charity registered number 515526

Registered office Cromford Mill
Cromford
Matlock
Derbyshire
DE4 3RQ

Chief Executive Officer Simon Wallwork

President The Duke of Devonshire KCVO CBE DL

Independent auditor BHP LLP
Chartered Accountants
2 Rutland Park
Sheffield
South Yorkshire
S10 2PD

Bankers Lloyds TSB plc
Compton
Ashbourne
Derbyshire
DE6 1DY

Solicitors Geldards LLP
Number One Price Place
Pride Park
Derby
DE24 8QR

THE ARKWRIGHT SOCIETY LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Architect	James Boon Architects Cromford Creative Cromford Mills Mill Lane Derbyshire DE4 3RQ
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THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

The chairman presents his statement for the year.

The 2020/21 year has been one which we entered with great trepidation and yet emerge from with a sense of positivity and hope of better things to come.

The year has seen continued support from management, staff, trustees, volunteers, friends and funders, and with this encouragement and co-operation, The Arkwright Society has moved forward positively during the year. It has adapted and evolved as needed, to make the best of challenging times and emerged stronger for it.

The grant support received from the Department of Culture, Media & Sport, National Lottery Heritage Fund, Historic England, Derbyshire County Council, Derbyshire Dales District Council, Duke of Devonshire Charitable Trust and other donors, has meant that The Arkwright Society has been able to implement new and exciting projects which will help to positively contribute to the economic resilience of the Society going forward.

The flexibility and support of our bankers and funders Lloyds Bank, Architectural Heritage Fund and Charity Bank has also been significant in helping us to survive and emerge stronger from the challenges of the past 18 months.

The grant support received reflects positively on the income line and is highlighted in the significant growth in total income from £1.4m in 2019/20 to £1.9m in 2020/21. Whilst trading and income from charitable activities inevitably fell, due to the Cromford Mill site being closed for large periods of the financial year, the fact that many operational costs were under-written by grant support, has meant that group total income rose by £576k in the year.

Following the conclusion of the Building 17 project a revaluation was completed, resulting in a write down reflecting the heritage debt of the project. This is shown in the Impairment of heritage assets but offset by income growth and gains on the revaluation of other heritage and tangible assets.

In my final year as chair of the Arkwright Society, it is rewarding to be able to hand over the baton of this unique and innovative organisation, knowing we have weathered the worst of the storm and can hopefully look forward to better times which will help us thrive in the years to come.

I would like to thank all those who have supported the organisation over the past 9 years of my involvement as a trustee and Chair, and look forward to seeing the Society continue to evolve and move forward in the future under the guidance of Mr John Rivers who takes over the Chair role from September 2021.

David Williams
Date: 31 August 2021

THE ARKWRIGHT SOCIETY LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the group for the year ended 31 March 2021. The Trustees' report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Trustees' report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

The Society has adopted the following mission statement in respect of its work on the Cromford Mills site much of which applies to the Society's work in general:

The Arkwright Society is committed to the regeneration of the Cromford Mills site and to the reuse of the buildings in ways that will provide them with a sustainable future, and which offers year-round employment that will contribute positively to the local economy. At the same time, the Society is aware of the international significance of the historic buildings in its care and in dealing with them is conscious of its obligation to use the highest standards of repair and conservation practice. The Society acknowledges that monuments of such universal importance, inscribed by UNESCO, attract widespread interest which those who enjoy the stewardship of such heritage must respect, by providing interpretation of the highest quality and extensive public access.

The Society also has educational, social and environmental agendas, which commit it to the provision of educational engagement; training; work experience; exploring green energy initiatives, the recycling of materials and a sustainable transport policy. These aspirations will inform the delivery of its conservation and educational programmes.

b. Activities undertaken to achieve objectives

The Society delivers its charitable objects through a range of activities many of which are long established. Its principal educational provision is made through the annual programme of lectures and visits and by participation in the national Heritage Open Days Programme and, locally, in the Derwent Valley Mills World Heritage Site Partnership Discovery Days. Throughout the year, tours of the Cromford Mills are provided for visitors and booked parties and each of the Society's projects offers its own educational service.

Objectives and activities (continued)

c. Volunteers

Volunteering is open to all and volunteers can work on a wide range of activities and in addition provide professional advice and guidance at various levels of the Society.

- The Head of Heritage, in consultation with other staff, will identify volunteering opportunities and define those roles through role profiles.
- Some volunteers will work over a period of time whilst others will contribute on a one-off basis.

The Arkwright Society's volunteer policy is to

- Ensure that volunteers feel valued.
- Establish an active management system to enable volunteers to feel like an effective member of the team.
- Ensure all volunteers know who their point of contact is and where they sit in the organisational structure.
- Ensure effective, regular two-way communication with all volunteers so that all staff and volunteers work positively together and, where appropriate, actively seek to involve each other in their work.
- Effectively match the needs of the organisation with the skills, experience, and knowledge of the volunteer.
- Have an up-to-date business plan for volunteers to implement this policy.
- Foster a friendly and supportive atmosphere aiming to make volunteering a fun and pleasant experience of mutual gain.

d. Main activities undertaken to further the company's purposes for the public benefit

The Trustees confirm that they have given careful consideration to the Charity Commission's general guidance on public benefit.

The public benefits derived from the Society's activities include:

- The advancement of education and specifically the provision of guided tours for the site and village, as well as adult and school parties throughout the year. The provision through retail outlets of specialist texts relating to industrial heritage and local history literature, the development of archive material to assist educational research, the provision of programmes of lectures, visits, and events on and to sites of historical interest; the provision of an annual Industrial Heritage conference with prestigious experts providing talks open to all.
- The advancement of arts, heritage, and culture specifically the Society's commitment to the regeneration of the Cromford Mills site and to the reuse of buildings in ways which will provide them with a sustainable future; public access to the Society's main sites for their enjoyment of these sites; membership of and support of the Derwent Valley Mills World Heritage Site Partnership and its attendant committees on which the Society is represented; the Society's membership and promotion of the European Route of Industrial Heritage for which Cromford Mill is a designated anchor point; participation in the Heritage Open Days programme and locally in the Derwent Valley Mills Discovery Weeks, and delivery of an extensive annual events programme promoting arts, culture and heritage.
- The advancement, protection and improvement of the natural environment specifically the acquisition, management and regeneration of Dunsley Meadows designated as Derbyshire Dales first Local Nature Reserve, the management of Slinger Woods an established Site of Specific Interest (SSSI) designated by English Nature (now Natural England) and a Special Area of Conservation (SAC) designated by the European Union, maintenance and management of Lumsdale, a bequest to the Society and a valley of outstanding natural beauty and industrial heritage interest on the north side of Matlock.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Strategic report

Achievements and performance

a. Key performance indicators

Notes 4 to 8 detail income which totals £1,929k (2020: £1,354k). Within these:

- Income from other trading activities decreased by £330k to £262k (2020: £592k).
- Income from charitable activities decreased by £87k to £417k (2020: £504k).
- Other incoming resources totalled £1,217k (2020: £80k) reflecting government grants received during the year.
- Income from donations and legacies decreased by £145k to £32k (2020: £177k)

Notes 9 and 10 detail costs of raising funds and charitable activities which total £1,433k (2020: £1,534k). Within these:

- Governance costs total £15,255 (2020: £14,815).

There was an exceptional item this year for the impairment of the heritage asset B17, this totalled £2,349k.

Total expenditure for the year totalled £3,782k, an increase of £2,248k over the previous year's total expenditure of £1,534k.

Other recognised gains included a revaluation gain totalling £1,215k.

The overall result is a deficit of £637,518, represented by net income of £1,665k on unrestricted funds and net expenditure on restricted funds of £2,302k.

At the year-end reserves consisted of restricted funds of £2,465k (2020: £4,768k) and £1,848k (2020: £183k) in unrestricted funds, a total of £4,313k (2020: £4,951k).

Strategic report (continued)

Achievements and performance (continued)

b. Review of activities

The Arkwright Society continues to develop and progress with its objective of further development of the Cromford Mills site, bringing back in to use those buildings not currently fully utilised and so removing them from the Historic England's Buildings at Risk register.

The ongoing nature of the COVID pandemic has meant that a review and updating of the Masterplan is being undertaken to revise future strategy, to ensure the agreed objectives meet the needs of the charity. Grant funding secured through government and the Department of Culture, Media and Sport, with support from National Lottery Heritage Fund and Historic England, has enabled the Society to weather the worst of the pandemic and the loss of revenue and we now look forward to planning for 2021/22 with greater positivity.

Property & Site Operations

Demand for office and retail space continues to be encouraging despite the general economic uncertainty in the wider economy. Revenue has held firm with most business tenants managing to weather the COVID storm. There has been growth in demand for smaller self-contained offices and space has been adapted to accommodate tenant demand.

Additional support grants from the De-Carbonise Grant Fund and assistance from Vaillant Boilers has enabled the heating and lighting in key buildings to be upgraded. This work has improved the office facilities for tenants and should make significant savings in our monthly operating costs.

Heritage, Visitors & Volunteering

The admissions revenue has been adversely impacted by the lockdowns and lower visitor numbers were an inevitable consequence of the national lockdown periods over the year. Tours continued although with limited numbers and still proved popular despite the difficult trading environment.

A full re-opening of all visitor facilities will be reviewed as and when possible.

Education and Learning

The revenue from educational visits has fallen over the pandemic period. Schools have been unable to travel and therefore income severely impacted. However, there are encouraging signs of recovery and demand for school visits is starting to increase with bookings now being taken well in to 2022. Recent joint initiatives with the Derwent Valley Mills World Heritage site team have helped refresh and revitalise the educational offer and support from schools and initial bookings for the coming year have been positive.

Conferencing & Events

Despite the COVID restrictions, encouraging progress was made with the development and growth of the onsite markets during the year, which saw an increase of both stall holder uptake and visitor numbers. The increased footfall on the market weekends helped bolster revenue in the cafes and other retail outlets on site.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Strategic report (continued)

Achievements and performance (continued)

In addition, we managed to host some outdoor theatre productions which saw good visitor numbers with ticket sales outperforming the previous year. The conferencing market was completely negated by the COVID virus and is expected to make a very slow and cautious recovery, with pre-COVID levels of activity unlikely until 2022/23.

Membership

Arkwright Society membership has remained constant and the support of the loyal base of members plus generous individual donations to help the Society through the pandemic, have been hugely helpful and supportive.

Cromford Mill Ltd

The Arkwright Society's trading arm was impacted adversely by the pandemic, the constraints on trading and the dramatic drop in visitor numbers.

Income fell in the cafes over the year, but the grant support helped underwrite operating costs. The new Counting House takeaway offer has worked well over the past year, serving those members of the public who were able to visit Cromford during the restrictions, and helped provide a revenue stream from catering despite the limitations in place. As restrictions have eased sales in the cafes and retail store have started to recover and are re-building far faster than expected.

c. Fundraising activities and income generation

Fundraising through its normal trading activities has been interrupted significantly this year due to the various COVID lockdown periods during the year. Whilst donations, legacies and charitable and trading activities have shown a fall compared to 2019/20 this has been offset by the significant support secured from COVID specific funding. This meant that total Income improved from £1.354m in 2020 to £1.929m.

Financial review

a. Going concern

The group's loss for the year of £637,518 consists of a profit on unrestricted funds of £1,664,903 and a loss on restricted funds of £2,302,421 however these numbers are significantly impacted by fixed asset revaluations being an impairment of £2,349,197 of Building 17 charged against restricted funds and a gain of £1,214,883 on other mill buildings and property in unrestricted funds.

These revaluation movements do not impact cash and therefore in considering going concern matters it is more appropriate to focus on profit/loss before valuations which would be a profit on unrestricted funds of £450,020 and a smaller profit on restricted funds of £46,776. These positive figures reflect the funding from DCMS Culture recovery fund, Heritage Lottery Fund, Historic England and Local and National Government support which has meant that despite the challenging trading conditions and extended closures driven by the pandemic the Society has the necessary financial measures in place to support it going forward. The group has also continued to be well supported by its lenders who agreed to capital repayment holidays during the pandemic. Capital repayments have now restarted.

The Trustees have prepared forecasts of income and expenditure and cash flow for a period of 12 months from approval of these financial statements which show that they will be able to operate within the facilities available to them. Therefore the Trustees believe that it is appropriate to prepare the accounts on a going concern basis.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

The financial statements do not include the adjustments that might be required should this not be the case.

b. Reserves policy

The Trustees have considered the reserves held by the Arkwright Society as of 31 March 2021. The Society needs reserves to enable it to develop its long term aims as well as ensuring the continuation of current activities. It is the Trustees' ambition to hold free reserves in cash which will be sufficient to cover three months operating costs. In order to meet their responsibilities, the Trustees have reviewed the requirements and risks faced by the Society both in the short and medium term.

Total funds at the year-end stood at £4,313k (2020: £4,951k) of which £1,848k (2020: £183k) were unrestricted funds. The unrestricted reserves are £1,848k but as shown in the accounts the unrestricted reserves already invested in the tangible fixed assets are in excess of this figure. Accordingly, the free reserves of the charity, being those reserves available to the Trustees for future commitment can be seen to negative. Net current assets are £496,909 represented by restricted funds of £606,867 and therefore there are net current liabilities relating to unrestricted funds of £109,958. This recognises that the mill site was originally acquired with long term loans that are still being repaid. It is the Trustees long term aim to establish free reserves sufficient to enable a sustainable operation of the mill but until the restoration of the site is complete, that level cannot be quantified.

c. Principal risks and uncertainties

Trustees and management have reviewed potential risks and challenges the organisation could face in light of these challenging and uncertain times and produced an updated Risk assessment for the organisation.

Structure, governance and management

a. Constitution

The Arkwright Society Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The company and the group is constituted under a Memorandum of Association and is a registered charity number 515526.

b. Methods of appointment or election of Trustees

Trustees are appointed on the basis of an analysis of the current skills of the Board and the need to strengthen its ability to direct the affairs of the Trust, and the individual ability of any nominee to meet any perceived gap in skills and other qualities they may bring to the Trust.

On appointment, trustees will receive a substantial induction pack including information on their duties as directors of a charitable company.

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

At present the charity is managed by its Trustee body, the Board of Trustees. This body meets up to ten times each year and has up to 12 members. Within the Board of Trustees there are two sub committees: audit and remuneration that meet as required.

The trust has a number of Project Committees which manage the Lumsdale Project and the Resilient Heritage Project; working parties are established from time to time to deal with short term schemes.

In April 1994 the then Council of Management established a trading company, Cromford Mill Limited, and appointed Directors to manage it. These meet on a regular basis and from time to time report to the Board of Trustees.

d. Policies adopted for the induction and training of Trustees

The Charity recognises its responsibility to ensure all new Trustees are given a Trustee Induction pack prior to appointment and meet with the Chair and CEO to clarify the responsibilities undertaken as a Trustee. Trustees also attend available external training courses including those held by our auditor BHP to keep Trustees updated and aware of changes to legislation.

e. Pay policy for key management personnel

The board of directors of The Arkwright Society, who are the Society's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Society on a day to day basis.

All directors give their time freely and no director received remuneration in the year. Details of directors' expenses are disclosed in note 16 to the accounts.

The Terms and Conditions of the senior staff are reviewed annually, usually in March, by the Remuneration Committee wholly made up of Trustees. The Committee operates within the framework of the following principles:

- Ability to attract staff of the right calibre and experience
- Ability to retain such staff
- Affordability within the Society's financial resources

Salaries and conditions are considered in the context of the local market, having regard to the particular skills and knowledge required to manage a substantial building preservation trust in the charitable sector and in a commercial environment.

Whilst there is an annual review, there is no commitment to increase salaries or improve conditions, balancing affordability and the need to remain competitive.

Structure, governance and management (continued)

f. Financial risk management

The trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity and its subsidiary Cromford Mill Limited face;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

As in prior years this work has identified that financial sustainability is the major financial risk for both the charity and its subsidiary. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank, and active management of trade debtors and creditors balances, to ensure sufficient working capital by the Trust and its subsidiary company.

Attention has also been focussed on non-financial risks arising from fire, health and safety, and food hygiene. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular awareness training for staff working in these operational areas.

g. Internal control

The Trustees have overall responsibility for ensuring that the charity has an appropriate system of financial management and other necessary controls. They are also responsible for safeguarding the assets of the charity and to this end must ensure that reasonable steps are taken for the prevention and detection of fraud and any other irregularities.

The Trustees accept that it is their responsibility to ensure that proper records are maintained, and accurate financial information is collected and retained and that the charity complies with the relevant laws and regulations.

The charity's Trustees recognise that whatever system is in place must be seen as managing rather than eliminating the risk of failure to achieve the charity's objectives and can only provide reasonable rather than absolute reassurance in these matters.

Plans for future periods

Future developments

Despite the challenges faced over the last financial year, the senior team's determination in chasing down support and grant funding, has enabled The Arkwright Society to come through the worst of the pandemic.

With the necessary support funding having been secured, thanks to the positive response and unstinting support of many funders and individual donors, the management and Trustees are able to plan with certainty for the coming year.

The Building 1 project work was progressing with a Viability Study having been completed and a development grant secured to take the project to a position where talks with key funders had started. This development work had to be put on hold during 2020, while the focus became ensuring the organisation was able to survive the pandemic and support funding secured. The funding was successfully secured, and this income is reflected in the year end accounts.

The support funding has enabled jobs to be secured, new projects initiated, and key facilities improved to develop new income streams and improve existing ones, as the markets re-open and visitors return.

Information on fundraising practices

The charity raises funds through its commercial activities, donations, legacies and membership. Funds raised through these activities are allocated to general funds, unless specifically agreed with an individual or organisation.

Funding for specific projects may be sought via sponsorship, donations, local fundraising activities and events. The allocation and purpose of those funds is made clear to donors and funders at the time of contribution.

The Arkwright Society does not use external, professional fundraising organisations or individuals to raise funds on its behalf. It ensures no fundraising activities it undertakes will exploit vulnerable individuals or intrude into an organisations' or individuals' privacy.

The Trustees and management have received no complaints in relation to fundraising or expenditure of its funds and ensures the use of all funds is transparent and clearly allocated.

THE ARKWRIGHT SOCIETY LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic 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. Under company law, the Trustees 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 Group and the company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that Group and the company disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The auditor, BHP LLP, has indicated their willingness to continue in office. The Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

In approving the Trustees' Report, we also approve the Strategic Report included therein, in our capacity as company directors.

Approved by order of the members of the board of Trustees and signed on their behalf by:


J R Rivers (Oct 20, 2021 20:30 GMT+1)

J Rivers

Date: Oct 20, 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED

Opinion

We have audited the financial statements of The Arkwright Society Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in note 2.2 in the financial statements, concerning the group and parent charitable company's ability to continue as a going concern. The group incurred a deficit of £637,518 during the year to 31 March 2021 and, at that date had negative free reserves of £109,958. These conditions, along with the other matters as set forth in the note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the group and parent charitable company were unable to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

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 trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED (CONTINUED)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent 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 group's and parent 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 group or the parent 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

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates, and considered the risk of such regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error.

We focussed on laws and regulations relevant to the charitable company which could give rise to a material misstatement in the financial statements. Our testing included discussions with management, directors and those staff with direct responsibility for the compliance of laws and regulations, agreeing financial statement disclosures to underlying supporting documentation, and reviewing legal expenses. There are inherent limitations in the audit procedures described and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

As part of our audit, we addressed the risk of management override of internal controls, including testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED (CONTINUED)

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Marshall (Oct 20, 2021 20:33 GMT+1)

Jane Marshall (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants

Statutory Auditors

2 Rutland Park

Sheffield

South Yorkshire

S10 2PD

Date: Oct 20, 2021

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	29,669	2,814	32,483	176,862
Charitable activities	5	345,412	71,873	417,285	504,275
Other trading activities	6	262,738	-	262,738	591,958
Investments	7	7	-	7	178
Other income	8	313,750	903,160	1,216,910	80,317
Total income		951,576	977,847	1,929,423	1,353,590
Expenditure on:					
Raising funds	9	399,933	-	399,933	572,814
Charitable activities	10	769,918	262,776	1,032,694	960,936
Impairment of heritage asset		-	2,349,197	2,349,197	-
Total expenditure		1,169,851	2,611,973	3,781,824	1,533,750
Net expenditure		(218,275)	(1,634,126)	(1,852,401)	(180,160)
Transfers between funds	25	668,295	(668,295)	-	-
Net movement in funds before other recognised gains		450,020	(2,302,421)	(1,852,401)	(180,160)
Other recognised gains:					
Gains on revaluation of fixed assets		1,214,883	-	1,214,883	-
Net movement in funds		1,664,903	(2,302,421)	(637,518)	(180,160)
Reconciliation of funds:					
Total funds brought forward		183,157	4,767,713	4,950,870	5,131,030
Net movement in funds		1,664,903	(2,302,421)	(637,518)	(180,160)
Total funds carried forward		1,848,060	2,465,292	4,313,352	4,950,870

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

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 01630237

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	17	998,558	757,567
Heritage assets	18	3,925,164	5,384,386
		<u>4,923,722</u>	<u>6,141,953</u>
Current assets			
Stocks	20	27,988	38,385
Debtors	21	53,950	48,914
Cash at bank and in hand		771,318	183,033
		<u>853,256</u>	<u>270,332</u>
Creditors: amounts falling due within one year	22	(356,347)	(263,813)
Net current assets		<u>496,909</u>	<u>6,519</u>
Total assets less current liabilities		<u>5,420,631</u>	<u>6,148,472</u>
Creditors: amounts falling due after more than one year	23	(1,078,135)	(1,166,236)
Accruals and deferred income		(29,144)	(31,366)
Total net assets		<u><u>4,313,352</u></u>	<u><u>4,950,870</u></u>
Charity funds			
Restricted funds (includes revaluation reserve of £24,901 (2020: £24,901))	25	2,465,292	4,767,713
Unrestricted funds (includes revaluation reserve of £2,007,750 (2020: £792,867))	25	1,848,060	183,157
Total funds		<u><u>4,313,352</u></u>	<u><u>4,950,870</u></u>

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

J R Rivers
J R Rivers (Oct 20, 2021 20:30 GMT+1)

J Rivers

Date: Oct 20, 2021

The notes on pages 24 to 54 form part of these financial statements.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 01630237

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	17	879,116	631,915
Heritage assets	18	3,925,164	5,384,386
Investments	19	2	2
		<u>4,804,282</u>	<u>6,016,303</u>
Current assets			
Debtors	21	54,849	48,459
Cash at bank and in hand		731,462	171,294
		<u>786,311</u>	<u>219,753</u>
Creditors: amounts falling due within one year	22	(260,926)	(219,739)
Net current (liabilities) / assets		<u>525,385</u>	<u>14</u>
Total assets less current liabilities		<u>5,329,667</u>	<u>6,016,317</u>
Creditors: amounts falling due after more than one year	23	(1,008,875)	(1,053,886)
Total net assets		<u><u>4,320,792</u></u>	<u><u>4,962,431</u></u>
Charity funds			
Restricted funds (includes revaluation reserve of £24,901 (2020: £24,901))	25	2,468,173	4,767,713
Unrestricted funds (includes revaluation reserve of £2,007,750 (2020: £792,867))	25	1,852,619	194,718
Total funds		<u><u>4,320,792</u></u>	<u><u>4,962,431</u></u>

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2021

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The income and expenditure account for the year dealt with in the accounts of the company was a deficit of £641,640 (2020: £181,216).

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


J R Rivers (Oct 20, 2021 20:30 GMT+1)

J Rivers

Date: Oct 20, 2021

The notes on pages 24 to 54 form part of these financial statements.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	28	737,544	16,910
Cash flows from investing activities			
Interest received		7	178
Proceeds from the sale of tangible fixed assets		-	40,187
Purchase of tangible fixed assets		(54,067)	(18,362)
Net cash (used in)/provided by investing activities		(54,060)	22,003
Cash flows from financing activities			
Repayments of borrowing		(23,187)	(23,391)
Interest paid		(42,092)	(44,024)
Net cash used in financing activities		(65,279)	(67,415)
Change in cash and cash equivalents in the year		618,205	(28,502)
Cash and cash equivalents at the beginning of the year		153,113	181,615
Cash and cash equivalents at the end of the year	29	771,318	153,113

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (issued in October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Arkwright Society Limited 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.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items and fair value. The financial statements are presented in sterling, which is the functional currency of the charity and rounded to the nearest £1.

The consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

The income and expenditure account for the year dealt with in the accounts of the company was a deficit of £641,640 (2020: deficit of £181,216)

2. Accounting policies (continued)

2.2 Going concern

The group's loss for the year of £637,518 consists of a profit on unrestricted funds of £1,664,903 and a loss on restricted funds of £2,302,421 however these numbers are significantly impacted by fixed asset revaluations being an impairment of £2,349,197 of Building 17 charged against restricted funds and a gain of £1,214,883 on other mill buildings in unrestricted funds. Net current assets are £496,909 represented by restricted funds of £606,867 and therefore there are net current liabilities relating to unrestricted funds of £109,958. The group's free reserves are negative.

These revaluation movements do not impact cash and therefore in considering going concern matters it is more appropriate to focus on the profit/loss before valuations which would be a profit on unrestricted funds of £450,020 and a smaller profit on restricted funds of £46,776. These positive figures reflect the funding from DCMS Culture recovery fund, Heritage Lottery Fund, Historic England and Local and National Government support which has meant that despite the challenging trading conditions and extended closures driven by the pandemic the Society has the necessary financial measures in place to support it going forward. The group has also continued to be well supported by its lenders who agreed to capital repayment holidays during the pandemic. Capital repayments have now restarted.

The Trustees have prepared forecasts of income and expenditure and cash flow for a period of 12 months from approval of these financial statements which show that they will be able to operate within the facilities available to them.

The Trustees believe that it is appropriate to prepare the accounts on a going concern basis. The financial statements do not include the adjustments that might be required should this not be the case.

2.3 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the company, can be reliably measured.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the company's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

2. Accounting policies (continued)

2.3 Income (continued)

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

The Coronavirus Job Retention Scheme income is recognised in the period in which it relates on an accruals basis.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is expenditure incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Fixtures and fittings - 25% reducing balance or 5 years straight line

Included in fixtures and fittings is a picture held at its original cost of £2,500. This asset has not been depreciated because it is of the opinion of the trustees that the asset is not impaired by the passage of time and in consequence any element of depreciation would be immaterial.

Freehold and long leasehold buildings and heritage assets held at valuation are not depreciated because the buildings are maintained in good condition so that their value is not impaired by the passage of time and in consequence any element of depreciation would be immaterial. The Trustees perform annual impairment reviews in accordance with the requirements of FRS 102 to ensure that the carrying value is not greater than the recoverable amount.

2.8 Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses.

Acquisitions only arise when donated to the charity or if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geographical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public with prior agreement. Heritage assets are to be held for the foreseeable future.

Depreciation is provided on the following basis:

Heritage asset - held at cost - 50 years straight line

2. Accounting policies (continued)

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.13 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.14 Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.15 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the parent charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Parent Charity for particular purposes. The costs 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.

2.17 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Freehold and long leasehold buildings and heritage assets held at valuation. The valuations are carried out on a periodic basis by an independent qualified valuer.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations and gifts received	29,669	2,814	32,483	38,106
Grants receivable	-	-	-	138,756
	<u>29,669</u>	<u>2,814</u>	<u>32,483</u>	<u>176,862</u>
Total 2020	<u>17,261</u>	<u>159,601</u>	<u>176,862</u>	

5. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Property services	314,064	9,440	323,504	365,119
Visitor services	20,133	62,433	82,566	55,016
Education and tours	11,215	-	11,215	84,140
Total 2021	<u>345,412</u>	<u>71,873</u>	<u>417,285</u>	<u>504,275</u>
Total 2020	<u>500,754</u>	<u>3,521</u>	<u>504,275</u>	

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Fundraising events	1,326	1,326	5,743
Cromford Mill Limited sales	261,412	261,412	586,215
	<u>262,738</u>	<u>262,738</u>	<u>591,958</u>
Total 2020	<u>591,958</u>	<u>591,958</u>	

7. Investment income

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest receivable	7	-	7	178
	<u>7</u>	<u>-</u>	<u>7</u>	<u>178</u>
Total 2020	<u>82</u>	<u>96</u>	<u>178</u>	

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. Other incoming resources

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Car Park income	27,847	-	27,847	58,130
Profit on disposal of fixed assets	-	-	-	22,187
Other government covid support	102,480	903,160	1,005,640	-
CJRS income	183,423	-	183,423	-
	<u>313,750</u>	<u>903,160</u>	<u>1,216,910</u>	<u>80,317</u>
Total 2020	<u>80,317</u>	<u>-</u>	<u>80,317</u>	

9. Expenditure on raising funds

Direct Costs

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Cromford Mill Limited- other costs	144,713	144,713	291,788
Cromford Mill Limited- wages and salaries	241,346	241,346	264,378
Cromford Mill Limited- NI	9,122	9,122	11,659
Cromford Mill Limited - pension costs	4,752	4,752	4,989
	<u>399,933</u>	<u>399,933</u>	<u>572,814</u>
Total 2020	<u>572,814</u>	<u>572,814</u>	

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Visitors services	206,995	102,613	309,608	182,947
Property services	240,819	41,146	281,965	316,843
Conservation and building services	-	-	-	33,827
Heritage site management	226,984	3,230	230,214	240,498
Building 17	79,865	115,787	195,652	172,006
Governance (note 13)	15,255	-	15,255	14,815
	<u>769,918</u>	<u>262,776</u>	<u>1,032,694</u>	<u>960,936</u>
Total 2020	<u>713,236</u>	<u>247,700</u>	<u>960,936</u>	

11. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Visitors services	309,608	-	309,608	182,947
Property services	281,965	-	281,965	316,843
Conservation and building services	-	-	-	33,827
Heritage site management	230,214	-	230,214	240,498
Building 17	195,652	-	195,652	172,006
Governance	-	15,255	15,255	14,815
	<u>1,017,439</u>	<u>15,255</u>	<u>1,032,694</u>	<u>960,936</u>
Total 2020	<u>946,121</u>	<u>14,815</u>	<u>960,936</u>	

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Governance costs	15,255	14,815

12. Net income/(expenditure)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets owned by the group	47,416	44,812
Depreciation of heritage asset	88,243	88,243
	135,659	133,055

13. Governance costs

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Auditor's remuneration	6,113	2,967	9,080	8,900
Accounting services	6,175	-	6,175	5,915
	12,288	2,967	15,255	14,815
Total 2020	14,815	-	14,815	

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	9,580	8,900
Fees payable to the company's auditor in respect of: All non-audit services not included above	5,675	5,915
	15,255	14,815

15. Staff costs

	Group	Group	Company	Company
	2021	2020	2021	2020
	£	£	£	£
Wages and salaries	646,933	666,781	406,709	402,403
Social security costs	38,744	42,412	29,622	30,753
Contribution to defined contribution pension schemes	15,357	15,582	10,605	10,593
	701,034	724,775	446,936	443,749

The average number of persons employed by the company during the year was as follows:

	Group	Group
	2021	2020
	No.	No.
Tourism and visitor services	8	8
Site maintenance	7	8
Catering and retail	31	37
Administration and support	9	5
	55	58

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Staff costs (continued)

The average headcount expressed as full-time equivalents was:

	Group 2021 No.	Group 2020 No.
Tourism and visitor services	5	5
Site maintenance	5	7
Catering and retail	14	16
Administration and support	7	5
	<hr/> 31 <hr/>	<hr/> 33 <hr/>

No employee received remuneration amounting to more than £60,000 in either year.

The total amount of employee benefits received by key management personnel including Employers National Insurance and Pension Contributions is £186,119 (2020: £179,198). The Trustees considers its key management personnel comprise the Chief Executive Officer, Chief Finance Officer, Operations Director and Head of Heritage.

16. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Tangible fixed assets

Group

	Freehold property valuation £	Leasehold property valuation £	Cromford Wheatcroft cost £	Fixtures and fittings cost £	Total £
Cost or valuation					
At 1 April 2020	156,333	385,000	153,495	345,262	1,040,090
Additions	-	-	-	54,067	54,067
Disposals	-	-	-	(55,444)	(55,444)
Revaluations	236,667	-	-	-	236,667
At 31 March 2021	393,000	385,000	153,495	343,885	1,275,380
Depreciation					
At 1 April 2020	-	-	36,477	246,046	282,523
Charge for the year	-	-	7,675	39,741	47,416
On disposals	-	-	-	(53,117)	(53,117)
At 31 March 2021	-	-	44,152	232,670	276,822
Net book value					
At 31 March 2021	393,000	385,000	109,343	111,215	998,558
At 31 March 2020	156,333	385,000	117,018	99,216	757,567

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Tangible fixed assets (continued)

Company

	Freehold property valuation £	Leasehold property valuation £	Fixtures and fittings cost £	Total £
Cost or valuation				
At 1 April 2020	156,333	385,000	322,985	864,318
Additions	-	-	48,209	48,209
Disposals	-	-	(44,500)	(44,500)
Revaluations	236,667	-	-	236,667
At 31 March 2021	393,000	385,000	326,694	1,104,694
Depreciation				
At 1 April 2020	-	-	232,403	232,403
Charge for the year	-	-	37,423	37,423
On disposals	-	-	(44,248)	(44,248)
At 31 March 2021	-	-	225,578	225,578
Net book value				
At 31 March 2021	393,000	385,000	101,116	879,116
At 31 March 2020	156,333	385,000	90,582	631,915

The Group has adopted a policy of revaluation for freehold and leasehold property held as tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	Group 2021 £	Group 2020 £
Freehold property	135,500	135,500
Long-term leasehold property	197,599	197,599
	333,099	333,099

17. Tangible fixed assets (continued)

Freehold property consists of Grace Cottage, Cromford Lock Up, Land at Slinger Cottage, Lumsdale Fishponds, Dunsley Meadows and the car park.

Leasehold property consists of Cromford Wharf and Cromford Station. The freehold and leasehold properties were revalued on 13 July 2021 and the financial statements have been updated to reflect this valuation. The valuation was carried out externally and independently by David Brown BSc MRICS RICS. In the Trustees opinion this valuation reflects the values as at 31 March 2021.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

18. Heritage assets

Group and Company

Assets recognised at cost

	Assets held at cost 2021 £	Assets held at valuation 2021 £	Total 2021 £
Carrying value at 1 April 2020	4,059,852	1,324,534	5,384,386
Revaluation	-	978,216	978,216
Depreciation	(88,241)	-	(88,241)
Impairment	(2,349,197)	-	(2,349,197)
	<hr/> 1,622,414 <hr/>	<hr/> 2,302,750 <hr/>	<hr/> 3,925,164 <hr/>

The historical cost of heritage assets is not available as they were acquired in periods for which records are no longer available.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

18. Heritage assets (continued)

Analysis of heritage asset transactions

Group and Company

	2021 £	2020 £	2019 £	2018 £	2017 £
Purchases					
Heritage assets - at cost	-	-	1,392	37,711	119,930
Total additions	-	-	1,392	37,711	119,930
Charge for depreciation					
Heritage assets - at cost	(2,437,438)	(88,243)	(88,298)	(88,236)	(87,482)
Total charge for impairment	(2,437,438)	(88,243)	(88,298)	(88,236)	(87,482)
Disposals					
Heritage assets - at valuation	-	-	-	(1,087)	(100,000)
Total disposals	-	-	-	(1,087)	(100,000)

Heritage assets comprise the Industrial buildings at Cromford Mill including Building 17 which has undergone a substantial renovation completed during 2019. The oldest buildings date back to the second half of the 18th century.

The heritage assets were revalued on 13 July 2021 and the financial statements have been updated to reflect this valuation. The valuation was carried out externally and independently by David Brown BSc MRICS RICS. In the Trustees opinion this valuation reflects the values as at 31 March 2021.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. Fixed asset investments

<i>Company</i>	Investments in subsidiary companies £
<i>Cost or valuation</i>	
At 1 April 2020	2
	<hr/>
At 31 March 2021	2
	<hr/> <hr/>
<i>Net book value</i>	
At 31 March 2021	2
	<hr/>
At 31 March 2020	2
	<hr/> <hr/>

The investment comprises 100% of the share capital of Cromford Mill Limited, the charity's trading subsidiary. The aggregate capital and reserves of that company at 31 March 2021 were £(7,438) (2020: £(11,562)) and its results for the year was a profit of £4,122 (2020: £1,056).

During the year the charity received rent of £28,000, (2020: £28,000) management charges of £57,600 (2020: £12,600) and loan interest of £643 (2020: £539) from Cromford Mill Limited. Other sales made to Cromford Mill Limited were £16,044 (2020: £17,351). Purchases from Cromford Mill Limited totalled £28,713 (2020: £35,091).

At 31 March 2021, £9,672 (2020: owed from £52,722) was owed to Cromford Mill Limited which includes a loan repayable on demand, with interest calculated at bank base rate plus 2%. The loan is secured over the stock held by Cromford Mill Limited.

20. Stocks

	Group 2021 £	Group 2020 £	Company 2020 £
Finished goods and goods for resale	27,988	38,385	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

21. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	4,065	2,301	4,065	2,301
Amounts owed by group undertakings	-	-	9,672	-
Other debtors	8,735	345	186	-
Prepayments and accrued income	41,150	46,268	40,926	46,158
	53,950	48,914	54,849	48,459

22. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	-	29,920	-	-
Bank loans	64,914	-	21,824	-
Trade creditors	162,664	76,924	146,609	56,607
Amounts owed to group undertakings	-	-	-	52,722
Other taxation and social security	27,355	53,661	15,892	23,518
Other creditors	51,001	52,095	48,268	49,925
Accruals and deferred income	50,413	51,213	28,333	36,967
	356,347	263,813	260,926	219,739

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

23. Creditors: Amounts falling due after more than one year

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Bank loans	593,179	657,093	523,919	544,743
Architectural Heritage Fund loan re Building 17	484,956	509,143	484,956	509,143
	1,078,135	1,166,236	1,008,875	1,053,886

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Repayable by instalments	639,840	740,525	639,840	740,525
	639,840	740,525	639,840	740,525

The bank loans and overdrafts totalling £545,743 (2020: £544,743) are secured on assets of the charity as follows:-

- A 1st legal charge over commercial freehold property known as Old Trout Farm (Excl No 10), Cromford Mill, Cromford Matlock, Derbyshire dated 23/11/1988.
- A 1st legal charge over commercial freehold property known as Cromford Colour Mills, Cromford, Derbyshire dated 18/11/1988.
- A 1st legal charge over residential property known as Grace Cottage, Station Rd, Cromford, Matlock, Derbyshire dated 16/02/2018.
- A 1st legal charge over commercial freehold property known as 10 Cromford Mill, Mill Road, Cromford, dated 16/02/2018.
- A 2nd legal charge over commercial freehold property known as 10 The Old Trout Farm, Cromford Mill, Cromford, Matlock, Derbyshire dated 19/10/1994.
- A 2nd legal charge over commercial freehold property known as Cromford Colour Mills, Cromford, Derbyshire dated 18/11/1988.
- A 2nd legal charge over commercial freehold property known as 10 Cromford Mill, Mill Road, Cromford, dated 19/10/1994.
- A 2nd legal charge over residential property known as Grace Cottage, Station Rd, Cromford, Matlock, Derbyshire dated 28/05/1999.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

23. Creditors: Amounts falling due after more than one year (continued)

- An unlimited debenture dated 19/12/2001 incorporating a fixed and floating charges over the assets of the society.

- An unlimited debenture dated 16/02/2018 incorporating a fixed and floating charges over the assets of the society.

The bank loan of Cromford Mill Limited is secured on the fixed and floating assets of the company and subject to interest at a rate of 6.5% per annum. The loan is due to be repaid in full by May 2025. The Arkwright Society is guarantor for the loan.

24. Accruals and deferred income

	Group 2021 £	Group 2020 £
Grants	29,144	31,366

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

25. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
General Funds - charity	194,717	436,632	(659,029)	668,295	1,214,883	1,855,498
General Funds - subsidiary	(11,560)	514,944	(510,822)	-	-	(7,438)
	183,157	951,576	(1,169,851)	668,295	1,214,883	1,848,060
Restricted funds						
Building 17 development & project fund	4,459,447	-	(2,465,026)	-	-	1,994,421
Lumsdale project	1,376	3,445	(2,242)	-	-	2,579
Cromford Station	139,438	-	-	-	-	139,438
Dunsley Meadows	56,676	-	(105)	-	-	56,571
Slinter Lane	30,000	-	-	-	-	30,000
Cromford hydro scheme	1,272	9,440	(9,440)	-	-	1,272
Sundry projects	1,081	53	-	-	-	1,134
Strutt Film (Aim Biffa)	3,557	200	(16,408)	-	-	(12,651)
Arkwright's books and artefacts	4,008	-	-	-	-	4,008
Slinter Woodland project	2,252	-	-	-	-	2,252
Guide resources fund	1,682	49	-	-	-	1,731
Education materials	3,114	500	(60)	-	-	3,554
Resilience fund	42,625	-	(6,925)	-	-	35,700
Beyond the Mill Walls Fund	8,100	-	(7,996)	-	-	104
DV Tours Project	12,769	-	(1,187)	-	-	11,582
Jo Fairfax Fund	316	-	-	-	-	316

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

25. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Cromford Mill goes Digital!	-	47,000	(20,775)	-	-	26,225
NLHF Emergency Grants	-	903,160	(73,148)	(668,295)	-	161,717
Meeting Point	-	14,000	(2,000)	-	-	12,000
DE-Carbonise Grant	-	-	(6,661)	-	-	(6,661)
	<u>4,767,713</u>	<u>977,847</u>	<u>(2,611,973)</u>	<u>(668,295)</u>	<u>-</u>	<u>2,465,292</u>
Total of funds	<u><u>4,950,870</u></u>	<u><u>1,929,423</u></u>	<u><u>(3,781,824)</u></u>	<u><u>-</u></u>	<u><u>1,214,883</u></u>	<u><u>4,313,352</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

25. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Unrestricted funds					
General Funds - charity	281,829	587,687	(684,421)	9,622	194,717
General Funds - subsidiary	(12,616)	602,685	(601,629)	-	(11,560)
	<u>269,213</u>	<u>1,190,372</u>	<u>(1,286,050)</u>	<u>9,622</u>	<u>183,157</u>
Restricted funds					
Building 17 development & project fund	4,567,742	-	(108,295)	-	4,459,447
Lumsdale project	92	39,529	(38,245)	-	1,376
Cromford Station	139,438	-	-	-	139,438
Dunsley Meadows	56,117	699	(140)	-	56,676
Slinter Lane	30,000	-	-	-	30,000
Cromford hydro scheme	2,007	-	(735)	-	1,272
Sundry projects	1,024	331	(274)	-	1,081
Strutt Film (Aim Biffa)	-	3,557	-	-	3,557
Arkwright's books and artefacts	4,008	-	-	-	4,008
Slinter Woodland project	2,252	-	-	-	2,252
Guide resources fund	1,441	241	-	-	1,682
Education materials	3,114	-	-	-	3,114
Resilience fund	47,605	78,230	(83,210)	-	42,625
Marquee fund	6,977	7,179	(4,534)	(9,622)	-
Beyond the Mill Walls Fund	-	20,336	(12,236)	-	8,100
DV Tours Project	-	12,800	(31)	-	12,769
Jo Fairfax Fund	-	316	-	-	316
	<u>4,861,817</u>	<u>163,218</u>	<u>(247,700)</u>	<u>(9,622)</u>	<u>4,767,713</u>
Total of funds	<u>5,131,030</u>	<u>1,353,590</u>	<u>(1,533,750)</u>	<u>-</u>	<u>4,950,870</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

25. Statement of funds (continued)

The restricted funds represent monies donated or raised for a specific project of the charity. The purposes of the main restricted funds are given below.

The Building 17 development & project fund aims to develop a World Heritage Site and Gateway.

The Lumsdale project funds are for the continued preservation and archaeological works in Lumsdale.

Cromford Station is now completely refurbished and tenants in situ.

The Dunsley Meadows fund is for the acquisition and management of Dunsley Meadows, an ancient hay meadow local Nature Reserve.

Slinter Land of £30,000 remains following the sale of Slinter Cottage.

The Cromford Hydro Scheme aims to explore the possibility of renewable energy at the site by the installation of technology in order to generate hydro-electricity.

The Strutt Film Fund represents third party match funding donations towards an AIM/BIFFA grant to provide a further film for the Arkwright Experience to tell the life of Strutt

The Slinter Woodland project fund represents the funds obtained and expended in the continued management of the Slinter Woodland site as a 'Site of Specific Interest' SSSI.

The resilience fund aims to support the development of the World Heritage site.

The Beyond the Mill Walls, funded by the Peoples' Postcode Lottery, transformed the riverside area for the benefit of both people and wildlife.

The DV Tours project represents funding received from Derbyshire County Council's Great Place scheme for an entrepreneurial venture with Belper North Mill Trust to provide guided tours of the Derwent Valley, focussing on the Derwent Valley Mills World Heritage Site and other nearby visitor attractions.

The Jo Fairfax Fund represents donations towards an art installation.

Cromford Mills goes Digital! is a COVID19 response project awarded by Historic England helping to create a greater digital presence both online and on site.

The NLHF Emergency grants were awarded by National Lottery Heritage Fund who were administering funds under the Heritage Emergency Fund and subsequently under Culture Recovery Fund for Heritage.

The Meeting Point programme will lead to the commissioning of an artist project at Cromford Mills, awarded by Arts & Heritage.

The DE-Carbonise Grant provides assistance to reduce carbon emissions through upgrading lighting in the Cromford Creative building and also replacing 4 non-condensing gas boilers with 2 condensing boilers, thus updating the heating systems in 3 of the buildings.

There are two restricted funds currently in a deficit position due to funding being claimed in arrears.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

A transfer was made during the year to reflect unrestricted core costs being funded by restricted monies received inline with the approved project costs from the funder.

26. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds	183,157	951,576	(1,169,851)	668,295	1,214,883	1,848,060
Restricted funds	4,767,713	977,847	(2,611,973)	(668,295)	-	2,465,292
	<u>4,950,870</u>	<u>1,929,423</u>	<u>(3,781,824)</u>	<u>-</u>	<u>1,214,883</u>	<u>4,313,352</u>

Summary of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
General funds	269,213	1,190,372	(1,286,050)	9,622	183,157
Restricted funds	4,861,817	163,218	(247,700)	(9,622)	4,767,713
	<u>5,131,030</u>	<u>1,353,590</u>	<u>(1,533,750)</u>	<u>-</u>	<u>4,950,870</u>

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NOTES TO THE FINANCIAL STATEMENTS
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27. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	762,546	236,012	998,558
Heritage assets	2,302,751	1,622,413	3,925,164
Current assets	246,389	606,867	853,256
Creditors due within one year	(356,347)	-	(356,347)
Creditors due in more than one year	(1,078,135)	-	(1,078,135)
Provisions for liabilities and charges	(29,144)	-	(29,144)
Total	1,848,060	2,465,292	4,313,352

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	443,930	313,637	757,567
Heritage assets	1,236,292	4,148,094	5,384,386
Current assets	(35,650)	305,982	270,332
Creditors due within one year	(263,813)	-	(263,813)
Creditors due in more than one year	(1,166,236)	-	(1,166,236)
Provisions for liabilities and charges	(31,366)	-	(31,366)
Total	183,157	4,767,713	4,950,870

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NOTES TO THE FINANCIAL STATEMENTS
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28. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	Group 2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(1,852,401)	(180,160)
Adjustments for:		
Depreciation charges	135,657	133,055
Amortisation of government grant	(2,222)	(2,223)
Interest received	(7)	(178)
Interest paid	42,092	44,024
Loss/(profit) on the sale of fixed assets	2,327	(22,787)
Decrease in stocks	10,397	1,799
(Increase)/decrease in debtors	(5,036)	16,158
Increase in creditors	57,540	27,222
Impairment of heritage assets	2,349,197	-
Net cash provided by operating activities	737,544	16,910

29. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	771,318	183,033
Overdraft facility repayable on demand	-	(29,920)
Total cash and cash equivalents	771,318	153,113

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NOTES TO THE FINANCIAL STATEMENTS
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30. Analysis of changes in net debt

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	183,033	588,285	771,318
Bank overdrafts repayable on demand	(29,920)	29,920	-
Debt due within 1 year	(10,000)	(64,914)	(74,914)
Debt due after 1 year	(1,166,236)	88,101	(1,078,135)
	<u>(1,023,123)</u>	<u>641,392</u>	<u>(381,731)</u>

31. Contingent liabilities

The charity has a possible obligation to repair and reinstate an aqueduct which was formally part of the Cromford Mill site. Derbyshire County Council (DCC) are unable to agree with Derbyshire Dales District Council (DDDC) and Historic England (HE) on the height at which the aqueduct should be reinstated. The liability has been estimated at £295,000 and is contingent on an agreement being reached between DCC and DDDC/HE at some point in the future.

32. Operating lease commitments

At 31 March 2021 the Group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Not later than 1 year	37,505	37,197	9,505	9,197
Later than 1 year and not later than 5 years	10,130	17,588	10,130	17,588
	<u>47,635</u>	<u>54,785</u>	<u>19,635</u>	<u>26,785</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

33. Related party transactions

During 2013 the Duke of Devonshire, the President of the charity, made a loan to the charity of £35,000, £10,000 remained payable as at 31 March 2021 and 2020. The loan is interest free.

Geldards, a firm in which David Williams is a member, carried out professional services for the Charity. Amounts paid in the year were £6,998 (2020: £4,513). No amounts were outstanding.

David William's wife has rented office space from the Charity within the period and has paid £11,660 in rental charges. (2020: £9,750).

34. Principal subsidiaries

The following was a subsidiary undertaking of the company:

Name	Company number	Class of shares	Holding
Cromford Mill Limited	02913429	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss)/ Surplus/ (Deficit) for the year £	Net assets £
Cromford Mill Limited	514,951	(510,829)	4,122	(7,438)