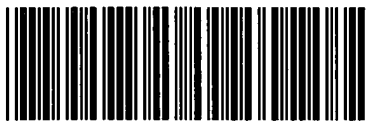


Registered number: 01630237
Charity number: 515526

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

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THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024

Trustees	J Rivers, Chair M Atkinson (resigned 31 December 2023) H Bishop V Dawson (appointed 24 May 2023) C Feely P Holt (appointed 21 June 2023) G Lewins J Phipps (appointed 24 May 2023) A Rawlings N Riddle W J Tracey (resigned 31 December 2023)
Company registered number	01630237
Charity registered number	515526
Registered office	Cromford Mill Road Cromford Matlock Derbyshire DE4 3RQ
Chief Executive Officer	Éilis Scott
President	The Duke of Devonshire KCVO CBE DL
Independent auditor	BHP LLP Chartered Accountants 2 Rutland Park Sheffield 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
(A company limited by guarantee)

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

The Chairman presents his statement for the year.

Our financial year 2023/2024 proved as difficult as any in recent times, and as you know the Trustees were only able to sign off the accounts for 2022/23 on 20th March 2024. This was because we were struggling to provide a satisfactory 12 months' 'going concern' forecast and were only able to do so once we had confirmed the sale of Dunsley Meadows and Slinger Woods to the Derbyshire Wildlife Trust; we had also benefited from a loan from the DVMWHS Steering Group in January 2024 and an individual donation in December 2023.

We were determined to approve the accounts for 2023/24 within a reasonable timescale and we have prepared a 'going concern' forecast which sets out commitments to increase our income and improve our profitability and, more particularly, to materially grow our fundraising not only from charitable trusts but also increasingly from donors and sponsors, both individual and corporate, and visitors to Cromford Mills.

As you can see from the accounts, the Society is not trading profitably in the face of rising expenses driven by cost and wage inflation and the tripling of energy bills primarily due to the continuing war in Ukraine; this must change as our commercial activities almost solely enable us to remain in existence.

The trustees believe we have built a management team capable of delivering financial security and continuing to carry out our prime purpose and responsibility, which is to care for our historic buildings and refurbish them and bring them back into economic use for our benefit and that of the community.

Our key strategic transformation project within our new Strategic Business and Master Plan is the refurbishment of Building 1 to provide a restaurant on the ground floor, office/holiday accommodation on the second and third floors and an events/function space on the top floor. We are actively seeking funds for this project which will materially enhance our financial strength, although not in the short term; hence the immediate need for the financial commitments described above.

Happily, the essential repair work to the rendered elevation of Building 1 funded by Historic England is now in progress and we anticipate the essential temporary roof replacement and high-level urgent repairs to 'The First Mill', funded by Historic England and the Pilgrim Trust will start in the autumn. The 'Waterpower' project is now complete, the Green Entrepreneurs' Fund and Severn Trent Community Fund being major funders.

The Trustees very much appreciate and are encouraged by the continuing confidence of all our funders, including The Heritage Fund, and our bankers Lloyds, the Charity Bank and The Architectural Heritage Fund with whom we have outstanding loans and all of which we are continuing to repay; we are being well supported during these difficult times.

The Trustees also appreciate the leadership of Éilis Scott, our CEO, and are grateful for the commitment and hard work of all our staff and volunteers; their contribution is invaluable and will remain so.



John Rivers
Chairman

Date: 11 SEPTEMBER 2024

The Society's conservation objectives are met primarily through the ongoing repair and maintenance of Cromford Mills. Throughout the year, tours of Cromford Mills are provided for visitors and booked parties and informal learning opportunities are promoted to visitors, especially families, during the school holidays.

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 delivery of primary, secondary school and higher educational visits. The Society continues to support various heritage talks, often led by volunteers, and continues to participate in educational initiatives delivered by the Derwent Valley Mills World Heritage Site (DVMWHS) management team, including the DVMWHS Research days. The Society is engaged in the review of the DVMWHS Management Plan and will be providing updates and helping to shape the actions and activities relating to the review. The Society hosts work placements for students to develop their skills within the workplace and gain a deeper understanding of the Charity and its objectives. An example of this during 2023/24 has been the hosting of Duke of Edinburgh work placements and with Holbrook School of Autism for individual students who want to experience different work placement activities in a safe and positive environment.

b. Activities undertaken to achieve objectives

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

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 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:

a. Policies and objectives

Objectives and activities

Since the group and the company qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The Trustees present their annual report together with the audited financial statements of the group for the year ended 31 March 2024. 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).

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

THE ARKRIGHT SOCIETY LIMITED
(A company limited by guarantee)

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Objectives and activities (continued)

and the wider estate focused on the Lumsdale Valley. Resource allocation is managed by the maintenance team, focusing on regular maintenance and specific repairs. During 2023, supported by The Heritage Fund, the Arkwright Society commissioned a maintenance plan and schedule of prioritised repairs to better understand the maintenance needs and allocate resources to tackle high level repairs and health and safety.

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 Society recognises the invaluable contributions for volunteers in various activities and is actively advocating for greater support.

The Head of Engagement, in consultation with the Volunteer Coordinator, staff and volunteer representatives, are identifying volunteering opportunities and have defined those roles through role profiles.

- Several volunteers have supported the Society for many years, working regularly or for specific time periods.

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 of heritage interpretation at Cromford Mills, through industrial heritage and local history literature, digitally, 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 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 Mills is a designated anchor point; participation in relevant national programmes promoting heritage sites, and locally within the Derwent Valley. The delivery of an extensive annual events programme promoting arts, culture heritage and wider engagement.

THE ARKWRIGHT SOCIETY LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Objectives and activities (continued)

- The advancement, protection and improvement of the natural environment including the area of Church Walk in the ownership of the Arkwright Society, adjacent to Cromford Mills and the 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. The remaining area of Slinger Woods and Dunsley Meadows was sold to the Derbyshire Wildlife Trust at the end of March 2024.

Achievements and performance

a. Key performance indicators

Notes 4 to 8 detail income which totals £2,053K (2023: £1,502k). Within these:

- Income from other trading activities increased by £116K to £767K (2023: £651k).
- Income from charitable activities decreased by £379K to £919k (2023: £540k).
- Other incoming resources totalled £194k (2023: £67k) reflecting government grants received during the year.
- Income from donations and legacies decreased by £71k to £173k (2023: £244k).

Notes 9 and 10 detail costs of raising funds and charitable activities which total £1,851k (2023: £1,780k as restated). Within these:

- Governance costs total £40,255 (2023: £22,983).

The net surplus for the year totalled £202k (2023: deficit of £278k as restated). This was made up of a deficit of £8k on unrestricted funds (2023: £440k deficit) and a surplus of £210k on restricted funds (2023: £162k surplus).

At the year-end reserves consisted of restricted funds of £2,644k (2023: £2,434k as restated) and unrestricted funds of £1,535k (2023: £1,542k), a total of £4,179k (2023: £3,977k as restated).

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 Historic England's National Heritage at Risk Register.

Throughout the year ending March 2024, the Society has made important steps forward, thanks to two generous grants totalling c£500,000 from The Heritage Fund, which has bolstered its resilience. Additionally, support from the Duke of Devonshire Charitable Trust enabled the commissioning of a 10-year strategic business plan and masterplan which was completed in January 2024. These plans are crucial for prioritising future regeneration efforts and determining the sequencing of major projects, providing a solid framework for the Society's continued progress. The Strategic business plan involved stakeholder consultation which continues through 2024. The Plan identifies the need to repurpose unused space at Cromford Mills for sustainable and profitable growth - with a focus on the transformation of Building 1. Cognisant of the need to strike a balance between commercial income generation and widening access and supporter engagement through public use.

Despite enduring challenges stemming from the pandemic and unforeseen external factors, including the significant increases in utility costs and economic uncertainties, the Society remains steadfast in its commitment to growth. While these challenges have posed obstacles, they have also underscored the importance of collaboration with key stakeholders

THE ARKWRIGHT SOCIETY LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance (continued)

and partners. The Society remains optimistic about its ability to strengthen and become more resilient, ultimately fulfilling its primary objectives for the regeneration of Cromford Mills.

Property & Site Operations

Demand for office and retail space remains robust, with a particularly strong demand for single office spaces. Revenue from this demand has met expectations and shows promising signs for the short to medium term. An IT infrastructure review in 2023/24 identified the need for future investment to maintain a competitive edge and mitigate risks related to system failures and cybersecurity. With support from The Heritage Fund, an IT audit was conducted, resulting in further investments planned for 2024/25 to upgrade the infrastructure for the benefit of all site users. The completion of the Cromford Waterpower Project in December 2023 marks a significant milestone in our journey towards net zero. Over the winter/spring period, we achieved tangible electricity savings of approximately 20%, making a noticeable impact. We are currently in a phase of managing the equipment and assessing future maintenance needs.

The project was officially launched on June 4th 2024, providing an opportunity to thank all who funded and supported the initiative. These included Midlands Net Zero, the Rural Community Energy Fund, the Green Entrepreneurs Fund (Derbyshire County Council), Severn Trent Community Fund, Vaillant Boilers, Matrix, Gilkes, and numerous individual and local business donors.

This project included a community scheme to refurbish the existing hydro-turbine located at the Corn Mill in Cromford Village. The longer-term objective being to generate electricity and sell it back to the grid to raise funds for local community projects. With additional funding from the Wolfson Foundation, the first phase of this project with the restoration of the turbine, is complete.

Heritage, Visitors & Volunteering

The Heritage offer, which encompasses heritage tours, the visitor centre, and heritage talks is becoming a significant focus in our future plans. A renewed focus on the percentage of our visitors engaging with our heritage offer could have a large impact on the bottom line without requiring a large increase in footfall. Our volunteer teams, provide crucial support and expertise for our heritage initiatives and we are working together to ensure that voluntary effort is promoted in the most effective way. We are keen to recruit more volunteers and invest in the ones we have. With the generous funding from The Heritage Fund, Arts Council England and Museum Development Midlands we have been able to work effectively across teams at Belper and Cromford to relocate and reinterpret the historic objects formerly on display at Belper North Mill. This project involved the effective use of focus groups across seven workshops to harness the knowledge across two teams of volunteers and use it to collaboratively develop new and important narratives around social history. We continue to deliver the popular 'Highlighting Heritage' series, led by our volunteers across Belper and Cromford.

Achievements and performance (continued)

Education and Learning

Our educational programmes for primary schools (Key Stage 1 & 2) continue to be very popular with sales almost at capacity with the current resources. We are working on empowering our volunteer team to take a more active role in delivery, increasing the pupil to teacher ratio resulting in better pedagogy. A renewed partnership approach is being developed with the University of Derby to explore various initiatives around student engagement which will become a significant strand of delivery during 2024 with a focus on SEND. We will be exploring the expansion of our informal learning activity during school holidays and how we maximise the connections between this and our events programme.

Conferencing & Events

Events have been a key driver in encouraging increased visitor numbers to Cromford Mills. This has financial benefits with increased secondary spend and is targeting new audiences and widening engagement. The development of markets during the year: artisan and antiques has continued through 2023/24, with enhanced focus on Christmas markets and our Christmas offer. The markets also help engage and support new creative businesses in the local area.

"The Shine a Light" event was held for the third year in October 2023, a joint initiative with Derbyshire County Council. Whilst this brought positive visitor numbers and helped showcase the mill as a cultural venue, it was not profitable and therefore will not be repeated in 2024. We have continued to build on our events programme and several key events which support income generation and widening engagement: the dog show, Cromford Builds, The Vikings, Comicon, Adventure Weekend. This is proving successful with the added benefit of strengthening volunteer engagement for those who wish to get involved in events delivery.

The conferencing market is focused on Cromford Creative, Gothic Wharf and the marquee. This remains an area for development and how we ensure we remain competitive with other local venues.

Membership

We recognize the critical role our members play in sustaining Cromford Mills as an internationally significant heritage site. In 2024, we will review our membership program with the goal of expanding our base to secure even greater support. Our members are a dedicated audience who understand the importance of preserving this historic site.

Additionally, we are developing a corporate partnership scheme to engage more effectively with local businesses interested in investing in Cromford Mills and supporting our charitable objectives. We deeply value the unwavering support of our loyal members and hope to grow this support over the coming years.

Cromford Mill Ltd

The Arkwright Society's trading arm is the catering and retail offer. Catering income has grown over the year, and remains the highest proportion of income generation for both the trading arm and the Society. However, the challenges have been significant with several external factors affecting sales. These are: unpredictable weather impacting on general visitor numbers, shortages of staff recruitment particularly in catering, inflation, significantly higher utility costs, and cost of living impacts.

Retail sales through the mill shop have faced similar challenges. Despite some income growth, this is not proved profitable. The largest income potential through the mill shop is the heritage tours and membership sales. Changes are being made to improve the visitor experience offer and support the delivery of the heritage tours through the visitor experience team.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance (continued)

c. Fundraising activities and income generation

Fundraising through normal trading activities has increased this year in comparison to 2022/23. This has been bolstered with staff training in 'making the ask' and The Heritage Fund grant has supported ways to improve fundraising and income generation, including provision of on-site donation boxes. The recruitment of a Development Manager in March 2024 has brought renewed focus to fundraising, donations, membership, and grant opportunities. This work is ongoing throughout 2023/24. We are channelling increased income generation through more ticketed events, such as visits with Father Christmas and "Cromford Builds," while continuing to offer free site entry and balancing affordability with the need to generate revenue.

Financial review

a. Going concern

The Group's profit for the year of £202,104 consists of a surplus in restricted funds of £209,783 and loss in unrestricted funds of £7,679. Net current liabilities are £119,638.

These figures continue to reflect the challenging trading conditions and the numerous external factors the Society has faced over the last two financial years, post Covid. Despite lacking core funding, the Society has successfully secured capital and funding for the delivery of activities, from The Heritage Fund, Historic England, the Pilgrim Trust and the Headley Trust for expenditure spanning 2023-2025 – as well as the significant funding to realise the waterpower project. This significant support from funders reflects their acknowledgement of the Society's needs and their confidence in its capacity to execute projects and progress. Moreover, the Society has maintained strong support from its lenders with the Architectural Heritage Fund granting capital repayment holidays during the recovery period which resumed in April 2024, and consistent capital repayments to the Charity Bank and Lloyds.

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 recognise the facilities include increased grants and donations and have appointed a Development Manager, as fundraiser to support this initiative as priority.

The Trustees acknowledge there is some uncertainty surrounding the fundraising targets, however, these have been subjected to sensitivity analysis which takes a prudent view. The resulting forecasts and cash flow referred to above show the facilities to be sufficient and therefore, 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.

THE ARKWRIGHT SOCIETY LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

b. Reserves policy

The Trustees have considered the reserves held by the Arkwright Society as of 31 March 2024. 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 £4,179k (2023: £3,977k as restated) of which £1,535k (2023: £1,542k) were unrestricted funds.

The unrestricted reserves are £1,535k 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 be negative. Net current liabilities are £119,638 represented by unrestricted funds of £644,694 and therefore there are net current assets relating to restricted funds of £525,056. 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 Register for the organisation, which is reviewed by Trustees on a quarterly basis.

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 are constituted under a Memorandum of Association and has 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 Society, and the individual ability of any nominee to meet any perceived gap in skills and other qualities they may bring to the Society.

THE ARKWRIGHT SOCIETY LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

At present the Society 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 three sub committees: Nominations, Audit and Risk and Remuneration Committees which meet as required.

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.

The Board of Directors of The Arkwright Society, who are the Society's Trustees, and the Senior Leadership 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.

e. Arrangements for setting pay and remuneration of key management personnel

The Terms and Conditions of all 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management (continued)

f. Financial risk management

The Trustees have a risk management strategy which comprises:

- a Risk Register which sets out the principal risks and uncertainties that the charity and its subsidiary Cromford Mill Limited face. This is reviewed by the Senior Leadership Team and Trustees on a quarterly basis.
- the establishment of policies, systems and procedures to mitigate those risks identified in the reviews; 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 key funders, and active management of trade debtors and creditors balances, to ensure sufficient working capital by the Society and its subsidiary company.

Attention is 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. Health and Safety reports are tabled at each Trustee meeting.

g. Internal control

The Trustees have overall responsibility for ensuring that the charity has an appropriate system of financial management and other necessary controls. This is detailed in the Internal Control Manual. 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Plans for future periods

Future developments

The Society's focus for 2024-2025 is centered on restoring a more stable trading pattern, supporting staff and volunteers in their professional development and wellbeing, while advancing the implementation of the Strategic Business Plan and refreshed masterplan. This strategic effort places priority on the restoration and repurposing of Building 1, with the need to expediate the acquisition of significant capital funding to establish a sustainable long-term income stream for the Society.

Significant grants from Historic England and The Pilgrim Trust will facilitate an interim repair solution for the First Mill. This solution will include decontamination of the third floor, urgent high-level repairs and the replacement of the part asbestos roof with a lightweight alternative. This will ensure the building is watertight and stable until a permanent solution is realised. Work is scheduled for autumn 2024 for a period of twenty weeks. Furthermore, grant aid from Historic England has also been secured for urgent repairs to the rendered elevation of Building 1.

During 2024, the Arkwright Society is hosting a temporary exhibition on Florence Nightingale in collaboration with the Florence Nightingale Museum Trust. This exhibition will run from the end of July until 3rd November 2024. Additionally, the site now displays several historic objects from the former Belper North Mill Museum, showcasing them in the visitor centre as part of the broader interpretation of the Derwent Valley's historical and technological significance.

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 organization.

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

A Development Manager has been appointed to take forward fundraising activities and grant applications for the Society. Their responsibility includes upholding the Society's commitment to ethical practices throughout all fundraising endeavours. 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 Senior Leadership Team 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 2024

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 and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 parent charitable 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;
- 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 disclose with reasonable accuracy at any time the financial position of the group and the parent charitable 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 parent charitable 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 Directors' report included therein, in our capacity as company directors. This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

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



John Rivers
Chairman

Date:

11th SEPTEMBER 2024

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

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 2024, which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2024, 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 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 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.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates the events and conditions that may cast significant doubt on the Group's ability to continue as a going concern. As stated in note 2.2, these events or conditions along with the other matters as set forth in note 2.2 indicate that a material uncertainty exists.

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in note 2.2 of the financial statements concerning the group and parent charitable company's ability to continue as a going concern. The group incurred a net surplus of £202,104 during the year ended 31 March 2024 and as at that date the group has negative free reserves of £749,442. These conditions, along with the other matters explained in note 2.2 to the financial statements indicate the existence of a material uncertainty which may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and parent charitable company was unable to continue as a going concern.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The 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. 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,

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

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

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, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report 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 group and parent charitable 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 by the parent charitable company, 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

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

Auditor 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.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the entity through discussions with Trustees and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent entity, including safeguarding legislation, health and safety requirements including fire safety, food hygiene, data protection laws, the Charities Act 2011 and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the entity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

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

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

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



Rachel Heath (Senior statutory auditor)

for and on behalf of

BHP LLP
Chartered Accountants
Statutory Auditor
2 Rutland Park
Sheffield
S10 2PD

Date: *11th September 2024*

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 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	As restated Total funds 2023 £
Income from:					
Donations and legacies	4	81,083	250,609	331,692	244,100
Charitable activities	5	522,682	235,676	758,358	539,979
Other trading activities	6	766,612	-	766,612	650,767
Investments	7	1,954	-	1,954	1,035
Other income	8	194,327	-	194,327	66,044
Total income		1,566,658	486,285	2,052,943	1,501,925
Expenditure on:					
Raising funds	9	653,002	-	653,002	581,845
Charitable activities	10	1,008,302	189,535	1,197,837	1,198,040
Total expenditure		1,661,304	189,535	1,850,839	1,779,885
Net (expenditure)/income		(94,646)	296,750	202,104	(277,960)
Transfers between funds	26	86,967	(86,967)	-	-
Net movement in funds		(7,679)	209,783	202,104	(277,960)
Reconciliation of funds:					
Total funds brought forward as previously stated		1,542,213	2,345,249	3,887,462	4,218,482
Prior year adjustment	25	-	89,114	89,114	36,054
Total funds brought forward as restated		1,542,213	2,434,363	3,976,576	4,254,536
Net movement in funds		(7,679)	209,783	202,104	(277,960)
Total funds carried forward		1,534,534	2,644,146	4,178,680	3,976,576

The consolidated statement of financial activities complies with the requirements for an income and expenditure account under the Companies Act 2006 and includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	As restated 2023 £
Fixed assets			
Tangible assets	17	1,221,048	1,039,142
Heritage assets	18	3,925,164	3,925,164
		<u>5,146,212</u>	<u>4,964,306</u>
Current assets			
Stocks	20	-	21,228
Debtors	21	104,261	117,229
Cash at bank and in hand		241,792	350,749
		<u>346,053</u>	<u>489,206</u>
Creditors: amounts falling due within one year	22	(465,691)	(538,471)
Net current liabilities		<u>(119,638)</u>	<u>(49,265)</u>
Total assets less current liabilities		<u>5,026,574</u>	<u>4,915,041</u>
Creditors: amounts falling due after more than one year	23	(825,419)	(913,767)
Accruals and deferred income	24	(22,475)	(24,698)
Total net assets		<u><u>4,178,680</u></u>	<u><u>3,976,576</u></u>
Charity funds			
Restricted funds (includes revaluation reserve of £nil (2023: £24,901))	26	2,644,146	2,434,363
Unrestricted funds (includes revaluation reserve of £2,007,750 (2023: £2,007,750))	26	1,534,534	1,542,213
Total funds		<u><u>4,178,680</u></u>	<u><u>3,976,576</u></u>

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

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

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 have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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


John Rivers
Chairman

Date:

11 SEPTEMBER 2024

The notes on pages 24 to 55 form part of these financial statements.

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

COMPANY BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	As restated 2023 £
Fixed assets			
Tangible assets	17	1,127,775	935,658
Heritage assets	18	3,925,164	3,925,164
Investments	19	2	2
		<u>5,052,941</u>	<u>4,860,824</u>
Current assets			
Debtors	21	104,073	110,952
Cash at bank and in hand		206,461	306,831
		<u>310,534</u>	<u>417,783</u>
Creditors: amounts falling due within one year	22	(380,677)	(438,681)
Net current liabilities		<u>(70,143)</u>	<u>(20,898)</u>
Total assets less current liabilities		<u>4,982,798</u>	<u>4,839,926</u>
Creditors: amounts falling due after more than one year	23	(822,694)	(879,786)
Total net assets		<u><u>4,160,104</u></u>	<u><u>3,960,140</u></u>
Charity funds			
Restricted funds (includes revaluation reserve of £nil (2023: £24,901))	26	2,644,146	2,434,363
Unrestricted funds (includes revaluation reserve of £2,007,750 (2023: £2,007,750))	26	1,515,958	1,525,777
Total funds		<u><u>4,160,104</u></u>	<u><u>3,960,140</u></u>

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

The company's net movement in funds for the year was £199,964 (2023 - £(236,765)).

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 have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



John Rivers
Chairman

Date:

11th September 2024

The notes on pages 24 to 55 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 2024

	Note	2024 £	As restated 2023 £
Cash flows from operating activities			
Net cash used in operating activities	29	37,674	(165,499)
Cash flows from investing activities			
Interest received		1,954	1,035
Proceeds from the sale of tangible fixed assets		179,276	-
Purchase of tangible fixed assets		(267,562)	(112,275)
Tax paid		-	(3,562)
Net cash used in investing activities		(86,332)	(114,802)
Cash flows from financing activities			
Cash inflows from new borrowing		62,154	-
Repayments of borrowing		(71,461)	(90,843)
Interest paid		(50,992)	(12,982)
Net cash used in financing activities		(60,299)	(103,825)
Change in cash and cash equivalents in the year		(108,957)	(384,126)
Cash and cash equivalents at the beginning of the year		350,749	734,875
Cash and cash equivalents at the end of the year	30	241,792	350,749

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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 at 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.

2.2 Going concern

The Group's profit for the year of £202,104 consists of a surplus in restricted funds of £209,783 and loss in unrestricted funds of £7,679. Net current liabilities are £119,638.

These figures reflect the challenging trading conditions and the numerous external factors the Society faces. Despite lacking core funding, the Society has successfully secured capital and funding for the delivery of activities, from The Heritage Fund, Historic England and the Pilgrim Trust for expenditure spanning 2023-2025. This significant support from funders reflects their acknowledgement of the Society's needs and their confidence in its capacity to execute projects and progress. Moreover, the Society has maintained strong support from its lenders with the Architectural Heritage Fund granting capital repayment holidays during the recovery period and consistent capital repayments to the Charity Bank and Lloyds.

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 recognise the facilities include increased grants and donations and have appointed a Development Manager, as fundraiser to support this initiative as priority.

The Trustees acknowledge there is some uncertainty surrounding the fundraising targets, however, these have been subjected to sensitivity analysis which takes a prudent view. The resulting forecasts and cash flow

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.2 Going concern (continued)

referred to above show the facilities to be sufficient and therefore, 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 charitable group 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 group 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 group, 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 group's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the group 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.

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.

2. Accounting policies (continued)

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.

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

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.

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or donated, their valuation. Assets are subsequently stated at valuation less 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. One heritage asset had previously been held under the historical cost model however, during 2021 an indicator of impairment existed which led to a full valuation of the asset being carried out by David Brown Commercial professional valuers on 31 March 2021. The valuation of the asset, based on future rental yield, was £1,622,413. In the opinion of Trustees, the value of the asset has not changed since this valuation as there has been no significant capital improvements made to the asset, it has been maintained in a good state of repair and rental income achieved on the asset has not significantly changed in value.

2.8 Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or donated, their valuation. Assets are subsequently stated at valuation less 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. One heritage asset had previously been held under the historical cost model however, during 2021 an indicator of impairment existed which led to a full valuation of the asset being carried out by David Brown Commercial professional valuers on 31 March 2021. The valuation of the asset, based on future rental yield, was £1,622,413. In the opinion of Trustees, the value of the asset has not changed since this valuation as there has been no significant capital improvements made to the asset, it has been maintained in a good state of repair and rental income achieved on the asset has not significantly changed in value.

Waterwheel	- 5% straight line once operational
Fixtures and fittings	- 25% reducing balance or 5 years straight line
Cromford Whatecroft	- 25% reducing balance
Other fixed assets	- N/a

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:

2.7 Tangible fixed assets and depreciation (continued)

2. Accounting policies (continued)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

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.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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 charitable company 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.

Redundancy benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The charitable company recognises redundancy benefits when it is committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal.

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 company 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 are held at valuation. The valuations are carried out on a periodic basis by an independent qualified valuer and considered annually by the trustees.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

4. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations and gifts received	81,083	-	81,083	44,916
Grants receivable	-	250,609	250,609	199,184
	<u>81,083</u>	<u>250,609</u>	<u>331,692</u>	<u>244,100</u>
Total 2023	<u>23,325</u>	<u>220,775</u>	<u>244,100</u>	

5. Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Property services	391,322	95,252	486,574	389,239
Visitor services	74,892	146,061	220,953	89,058
Education and tours	56,468	(5,637)	50,831	61,682
Total 2024	<u>522,682</u>	<u>235,676</u>	<u>758,358</u>	<u>539,979</u>
Total 2023	<u>504,673</u>	<u>35,306</u>	<u>539,979</u>	

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6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Fundraising events	16,696	16,696	7,391
Cromford Mill Limited sales	749,916	749,916	643,376
	<u>766,612</u>	<u>766,612</u>	<u>650,767</u>
Total 2023	<u>650,767</u>	<u>650,767</u>	

7. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Bank interest receivable	1,954	1,954	1,035
	<u>1,035</u>	<u>1,035</u>	
Total 2023	<u>1,035</u>	<u>1,035</u>	

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8. Other income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Car park income	69,304	69,304	65,544
Insurance claims	-	-	500
Income from recharged staff	2,747	2,747	-
Profit on disposal of fixed assets	122,276	122,276	-
	<u>194,327</u>	<u>194,327</u>	<u>66,044</u>
Total 2023	<u>66,044</u>	<u>66,044</u>	

9. Expenditure on raising funds

Direct costs

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Cromford Mill Limited- other costs	308,184	308,184	277,207
Cromford Mill Limited- wages and salaries	322,280	322,280	283,457
Cromford Mill Limited- NI	16,738	16,738	15,763
Cromford Mill Limited - pension costs	5,800	5,800	5,418
	<u>653,002</u>	<u>653,002</u>	<u>581,845</u>
Total 2023	<u>581,845</u>	<u>581,845</u>	

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10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
Visitors services	438,250	107,142	545,392	380,327
Property services	363,609	61,377	424,986	426,883
Heritage site management	186,161	1,043	187,204	230,574
Building 17	-	-	-	137,273
Governance (note 13)	20,282	19,973	40,255	22,983
	<u>1,008,302</u>	<u>189,535</u>	<u>1,197,837</u>	<u>1,198,040</u>
Total 2023	<u>1,112,543</u>	<u>85,497</u>	<u>1,198,040</u>	

11. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Visitors services	517,582	27,810	545,392	380,327
Property services	328,943	96,043	424,986	426,883
Heritage site management	73,485	113,719	187,204	230,574
Building 17	-	-	-	137,273
Governance (note 13)	-	40,255	40,255	22,983
	<u>920,010</u>	<u>277,827</u>	<u>1,197,837</u>	<u>1,198,040</u>
Total 2023	<u>917,760</u>	<u>280,280</u>	<u>1,198,040</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
Staff costs	227,440	245,217
Payroll and bookkeeping fees	10,132	12,080
Governance costs (note 13)	40,255	22,983
	<u>277,827</u>	<u>280,280</u>

Support costs are allocated based on a % of time spent.

12. Net income/(expenditure)

This is stated after charging:

	2024 £	As restated 2023 £
(Profit)/loss on disposal of tangible fixed assets	(122,276)	34
Depreciation of tangible fixed assets owned by the group	28,656	59,781
	<u>28,656</u>	<u>59,781</u>

13. Governance costs

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Audit and accountancy fees	20,282	-	20,282	22,983
Cromford Mill strategic costs	-	19,973	19,973	-
	<u>20,282</u>	<u>19,973</u>	<u>40,255</u>	<u>22,983</u>
Total 2023	<u>22,983</u>	<u>-</u>	<u>22,983</u>	

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14. Auditor's remuneration

	2024	2023
	£	£
Fees payable to the group's auditor for the audit of the annual accounts	18,605	17,720
Fees payable to the group's auditor in respect of:		
All non-audit services not included above	6,510	5,250

15. Staff costs

	Group	Group	Company	Company
	2024	As restated	2024	As restated
	£	2023	£	2023
		£		£
Wages and salaries	827,390	771,458	505,110	488,001
Social security costs	54,692	53,961	37,954	38,198
Contribution to defined contribution pension schemes	22,280	19,616	16,480	14,198
	904,362	845,035	559,544	540,397

Included within the above staff costs are redundancy costs totalling £29,843 of which £18,287 were non-contractual.

The prior year figures have been restated to eliminate intra-group recharges of wages between the parent and subsidiary which had the impact of reducing staff costs by £17,952 however had no overall impact to the statement of financial activities for the year to 31 March 2023.

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

	Group	Group
	2024	2023
	No.	No.
Tourism and visitor services	16	10
Site maintenance	4	5
Catering and retail	23	21
Administration and support	7	10
	50	46

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NOTES TO THE FINANCIAL STATEMENTS
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15. Staff costs (continued)

The average headcount expressed as full-time equivalents was:

	Group 2024 No.	Group 2023 No.
Tourism and visitor services	7	9
Site maintenance	3	4
Catering and retail	13	14
Administration and support	6	7
	<hr/> 29 <hr/>	<hr/> 34 <hr/>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2024 No.	Group 2023 No.
In the band £60,001 - £70,000	1	-

The total amount of employee benefits received by key management personnel including employers national insurance and pension contribution is £326,582 (2023: £206,143). The Trustees consider its key management personnel comprise the Chief Executive Officer, Chief Finance Officer, Development Manager, Operations Manager, Head of Catering, Events Manager and Head of Engagement.

16. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - ENIL).

During the year ended 31 March 2024, no Trustee expenses have been incurred (2023 - ENIL).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

17. Tangible fixed assets

Group

	Freehold property valuation £	Leasehold property valuation £	Cromford Wheatcroft cost £	Waterwheel cost £	Fixtures and fittings cost £	as restated Assets under construction cost £	Total £
Cost or valuation							
At 1 April 2023 - as restated	393,000	385,000	153,496	-	233,987	89,114	1,254,597
Additions	-	-	-	-	-	267,562	267,562
Disposals	(57,000)	-	-	-	-	-	(57,000)
Transfers between classes	-	-	-	356,676	-	(356,676)	-
At 31 March 2024	336,000	385,000	153,496	356,676	233,987	-	1,465,159
Depreciation							
At 1 April 2023	-	-	59,503	-	155,952	-	215,455
Charge for the year	-	-	7,675	-	20,981	-	28,656
At 31 March 2024	-	-	67,178	-	176,933	-	244,111

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

17. Tangible fixed assets (continued)

Group (continued)

	Freehold property valuation £	Leasehold property valuation £	Cromford Wheatcroft cost £	Waterwheel cost £	Fixtures and fittings cost £	as restated Assets under construction cost £	Total £
<i>Net book value</i>							
At 31 March 2024	336,000	385,000	86,318	356,676	57,054	-	1,221,048
At 31 March 2023	393,000	385,000	93,993	-	78,035	89,114	1,039,142

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NOTES TO THE FINANCIAL STATEMENTS
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17. Tangible fixed assets (continued)

Company

	Freehold property valuation £	Leasehold property valuation £	Waterwheel cost £	Fixtures and fittings cost £	as restated Assets under construction cost £	Total £
Cost or valuation						
At 1 April 2023 - as restated	393,000	385,000	-	212,432	89,114	1,079,546
Additions	-	-	-	-	267,562	267,562
Disposals	(57,000)	-	-	-	-	(57,000)
Transfers between classes	-	-	356,676	-	(356,676)	-
At 31 March 2024	336,000	385,000	356,676	212,432	-	1,290,108
Depreciation						
At 1 April 2023	-	-	-	143,888	-	143,888
Charge for the year	-	-	-	18,445	-	18,445
At 31 March 2024	-	-	-	162,333	-	162,333

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NOTES TO THE FINANCIAL STATEMENTS
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17. Tangible fixed assets (continued)

Company (continued)

	Freehold property valuation £	Leasehold property valuation £	Waterwheel cost £	Fixtures and fittings cost £	as restated Assets under construction cost £	Total £
<i>Net book value</i>						
At 31 March 2024	336,000	385,000	356,676	50,099	-	1,127,775
At 31 March 2023	393,000	385,000	-	68,544	89,114	935,658

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17. Tangible fixed assets (continued)

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

	Group 2024 £	Group 2023 £
Freehold property	118,000	135,500
Long-term leasehold property	197,599	197,599
	315,599	333,099

Freehold property consists of Grace Cottage, Cromford Lock Up, Lumsdale Valley 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 2024.

18. Heritage assets

Group and Company

Assets held at valuation

	Building 17 2024 £	Cromford Mill 2024 £	Total 2024 £
Carrying value at 1 April 2023 (as restated)	1,622,414	2,302,750	3,925,164
Carrying value at 31 March 2024	1,622,414	2,302,750	3,925,164

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NOTES TO THE FINANCIAL STATEMENTS
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18. Heritage assets (continued)

Analysis of heritage asset transactions

Group and Company

	2024	2023	2022	2021	2020
	£	£	£	£	£
Charge for depreciation/ impairment					
Depreciation - heritage assets at cost (as restated)	-	-	-	(88,241)	(88,243)
Impairment - heritage assets at cost	-	-	-	(2,349,197)	-
Total charge for impairment	-	-	-	(2,437,438)	(88,243)

Heritage assets comprise the industrial buildings at Cromford Mill including Building 17 which has undergone a substantial renovation completed during 2016. 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 2024.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

19. Fixed asset investments

<i>Company</i>	Investments in subsidiary companies £
<i>Cost or valuation</i>	
At 1 April 2023	2
At 31 March 2024	<u>2</u>
<i>Net book value</i>	
At 31 March 2024	2
At 31 March 2023	<u>2</u>

The investment comprises 100% of the share capital of Cromford Mill Limited, the charity's trading subsidiary. The results of that company are disclosed in note 36.

Transactions during the year with the subsidiary are disclosed in note 35.

20. Stocks

	Group 2024 £	Group 2023 £
Finished goods and goods for resale	-	<u>21,228</u>

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NOTES TO THE FINANCIAL STATEMENTS
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21. Debtors

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Trade debtors	48,272	62,228	48,272	62,228
Other debtors	163	379	-	236
Prepayments and accrued income	55,826	54,622	55,801	48,488
	<u>104,261</u>	<u>117,229</u>	<u>104,073</u>	<u>110,952</u>

22. Creditors: Amounts falling due within one year

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Bank loans	116,955	76,143	85,699	46,819
Architectural Heritage Fund loan	50,972	12,743	50,972	12,743
Trade creditors	89,988	233,249	68,528	203,670
Amounts owed to group undertakings	-	-	46,928	810
Other taxation and social security	49,560	42,653	(7,535)	23,775
Other creditors	83,818	54,695	80,380	51,097
Accruals and deferred income	74,398	118,988	55,705	99,767
	<u>465,691</u>	<u>538,471</u>	<u>380,677</u>	<u>438,681</u>

Deferred income represents market income received in advance for market stalls and room hire during 2023/24.

	Group 2024 £	Group 2023 £
Deferred income		
Deferred income at 1 April 2023	6,107	4,024
Resources deferred during the year	5,027	6,107
Amounts released from previous periods	(6,107)	(4,024)
	<u>5,027</u>	<u>6,107</u>

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

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Bank loans	348,304	465,259	345,579	431,278
Architectural Heritage Fund loan re Building 17 and DCC loan	477,115	448,508	477,115	448,508
	825,419	913,767	822,694	879,786

Bank loans and overdrafts totalling £465,276 (2023: £541,402) 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.
- 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.

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24. Accruals and deferred income

	Group 2024 £	Group 2023 £
Grants	<u>22,475</u>	<u>24,698</u>

Deferred income represents government grants in respect of the renovation of leasehold property in Cromford Mill Limited and is being released in line with the depreciation policy of the leasehold property.

25. Prior year adjustments

The comparative figures have been restated to capitalise costs in relation to the Water Wheel as a fixed asset under construction. The impact on the consolidated balance sheet as at 31 March 2023 is to increase the value of fixed assets, net assets and restricted fund balances by £89,114. The impact on the statement of financial activities is to reduce restricted expenditure in 2023 by £89,114.

26. Statement of funds

Statement of funds - current year

	As restated Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Unrestricted funds					
General Funds - charity	1,525,777	816,742	(933,862)	107,301	1,515,958
General Funds - subsidiary	16,436	749,916	(727,442)	(20,334)	18,576
	<u>1,542,213</u>	<u>1,566,658</u>	<u>(1,661,304)</u>	<u>86,967</u>	<u>1,534,534</u>
Restricted funds					
Building 17 development & project fund	1,966,272	7,238	(6,059)	-	1,967,451
Lumsdale project	4,945	2,605	(2,464)	-	5,086
Cromford Station	139,438	-	-	-	139,438
Dunsley Meadows	56,967	-	-	(56,967)	-
Slinter Woodlands	30,000	-	-	(30,000)	-
Cromford hydro scheme	168,696	160,449	(23,106)	-	306,039
Sundry projects	1,224	3,251	(3,249)	-	1,226
D of D DDCT Grant	20,000	-	(19,973)	-	27

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26. Statement of funds (continued)

Statement of funds - current year (continued)

	As restated Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Arkwright's books and artefacts	4,008	-	-	-	4,008
Slinter Woodland project	2,252	-	-	-	2,252
Guide resources fund	1,709	-	-	-	1,709
Education materials	2,045	-	-	-	2,045
Waterwheel Fund	-	90,160	(32,020)	-	58,140
DV Tours Project	16,896	(5,717)	(4,861)	-	6,318
Cromford Mill goes Digital!	620	-	-	-	620
NLHF Emergency Grants	5,378	219,299	(83,238)	-	141,439
Meeting Point	381	-	-	-	381
DE-Carbonise Grant	15,557	256	(3,330)	-	12,483
B18 project development	(4,500)	8,744	(9,010)	-	(4,766)
Reset & Recovery Grant Fund	2,475	-	(2,225)	-	250
	2,434,363	486,285	(189,535)	(86,967)	2,644,146
Total of funds	3,976,576	2,052,943	(1,850,839)	-	4,178,680

Statement of funds - prior year

	As restated Balance at 1 April 2022 £	Income £	As restated Expenditure £	Transfers in/out £	As restated Balance at 31 March 2023 £
Unrestricted funds					
General Funds - charity	1,924,630	598,391	(1,063,393)	66,149	1,525,777
General Funds - subsidiary	57,631	647,453	(630,995)	(57,653)	16,436
	1,982,261	1,245,844	(1,694,388)	8,496	1,542,213

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26. Statement of funds (continued)

	As restated Balance at 1 April 2022 £	Income £	As restated Expenditure £	Transfers in/out £	As restated Balance at 31 March 2023 £
Restricted funds					
Building 17 development & project fund	1,956,140	15,000	(4,868)	-	1,966,272
Lumsdale project	3,466	2,643	(1,214)	50	4,945
Cromford Station	139,438	-	-	-	139,438
Dunsley Meadows	57,135	628	(796)	-	56,967
Slinter Woodlands	30,000	-	-	-	30,000
Cromford hydro scheme	(8,115)	179,184	(9,894)	7,521	168,696
Sundry projects	2,554	-	(102)	(1,228)	1,224
D of D DDCT Grant	-	20,000	-	-	20,000
Arkwright's books and artefacts	4,008	-	-	-	4,008
Slinter Woodland project	2,252	-	-	-	2,252
Guide resources fund	1,709	-	-	-	1,709
Education materials	3,064	-	(1,019)	-	2,045
Waterwheel Fund	13,278	18,320	(16,759)	(14,839)	-
DV Tours Project	4,835	16,581	(4,520)	-	16,896
Cromford Mill goes Digital!	620	-	-	-	620
NLHF Emergency Grants	13,320	-	(7,942)	-	5,378
Meeting Point	5,000	-	(4,619)	-	381
DE-Carbonise Grant	18,631	-	(3,074)	-	15,557
B18 project development	24,940	-	(29,440)	-	(4,500)
Reset & Recovery Grant Fund	-	3,725	(1,250)	-	2,475
	<u>2,272,275</u>	<u>256,081</u>	<u>(85,497)</u>	<u>(8,496)</u>	<u>2,434,363</u>
Total of funds	<u>4,254,536</u>	<u>1,501,925</u>	<u>(1,779,885)</u>	<u>-</u>	<u>3,976,576</u>

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26. 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 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 D of DDCT Grant Fund - The Commissioning of a Strategic and Sustainable Business Plan and Masterplan for Cromford Mill.

The Arkwright's books and artefacts fund is an asset fund representing grants awarded to purchase Arkwright related purchases for display.

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

The Guide Resources fund represents donations awarded to volunteer tour guides which can be spent to enhance tour guide knowledge and experience.

The Education materials fund is primarily income awarded under the Sandford Fund which can be used to promote the Educational offer at Cromford.

The Waterwheel fund is for the Waterpower project funding education, preservation and innovation.

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

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.

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.

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26. Statement of funds (continued)

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.

The B18 project development grant represents funds awarded by Historic England as a repair grant for Heritage at Risk.

The Reset & Recovery Grant Fund - promoting income growth with greater engagement.

There is one restricted fund currently in a deficit position due to funding being claimed in arrears.

A transfer was made in the year from restricted to unrestricted in relation to assets sold in the year.

27. Summary of funds

Summary of funds - current year

	As restated Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
General funds	1,542,213	1,566,658	(1,661,304)	86,967	1,534,534
Restricted funds	2,434,363	486,285	(189,535)	(86,967)	2,644,146
	<u>3,976,576</u>	<u>2,052,943</u>	<u>(1,850,839)</u>	<u>-</u>	<u>4,178,680</u>

Summary of funds - prior year

	As restated Balance at 1 April 2022 £	Income £	As restated Expenditure £	Transfers in/out £	As restated Balance at 31 March 2023 £
General funds	1,982,261	1,245,844	(1,694,388)	8,496	1,542,213
Restricted funds	2,272,275	256,081	(85,497)	(8,496)	2,434,363
	<u>4,254,536</u>	<u>1,501,925</u>	<u>(1,779,885)</u>	<u>-</u>	<u>3,976,576</u>

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28. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	724,372	496,676	1,221,048
Heritage assets	2,302,750	1,622,414	3,925,164
Current assets	(179,003)	525,056	346,053
Creditors due within one year	(465,691)	-	(465,691)
Creditors due in more than one year	(825,419)	-	(825,419)
Provisions for liabilities and charges	(22,475)	-	(22,475)
Total	1,534,534	2,644,146	4,178,680

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	As restated Restricted funds 2023 £	As restated Total funds 2023 £
Tangible fixed assets	747,961	291,181	1,039,142
Heritage assets	2,302,750	1,622,414	3,925,164
Current assets	(31,562)	520,768	489,206
Creditors due within one year	(538,471)	-	(538,471)
Creditors due in more than one year	(913,767)	-	(913,767)
Provisions for liabilities and charges	(24,698)	-	(24,698)
Total As restated	1,542,213	2,434,363	3,976,576

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29. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024 £	Group As restated 2023 £
Net income/(expenditure) for the period (as per Statement of Financial Activities)	202,104	(277,960)
Adjustments for:		
Depreciation charges	28,656	30,317
Amortisation of government grant	(2,223)	(2,223)
Interest received	(1,954)	(1,035)
Interest paid	50,992	12,982
Profit on the sale of fixed assets	(122,276)	-
Decrease/ (increase) in stocks	21,228	(7,180)
Decrease/ (increase) in debtors	12,968	(49,404)
(Decrease)/ increase in creditors	(151,821)	129,004
Net cash used in operating activities	37,674	(165,499)

30. Analysis of cash and cash equivalents

	Group 2024 £	Group 2023 £
Cash in hand	241,792	350,749
Total cash and cash equivalents	241,792	350,749

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31. Analysis of changes in net debt

	At 1 April 2023	Cash flows	At 31 March 2024
	£	£	£
Cash at bank and in hand	350,749	(108,957)	241,792
Debt due within 1 year	(88,886)	(79,041)	(167,927)
Debt due after 1 year	(913,767)	88,348	(825,419)
	<u>(651,904)</u>	<u>(99,650)</u>	<u>(751,554)</u>

32. 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 statutory consultees including 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 relevant parties and securing statutory consents at some point in the future.

33. Capital commitments

	Group 2024	Group 2023	Company 2024	Company 2023
	£	£	£	£
<i>Contracted for but not provided in these financial statements</i>				
Acquisition of tangible fixed assets	<u>13,929</u>	<u>-</u>	<u>13,929</u>	<u>-</u>

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34. Operating lease commitments

At 31 March 2024 the Group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group	Company	Company
	2024	2023	2024	2023
	£	£	£	£
Not later than 1 year	34,466	34,583	5,325	6,583
Later than 1 year and not later than 5 years	10,147	12,106	9,313	12,106
Later than 5 years	17,559	19,687	17,559	19,687
	62,172	66,376	32,197	38,376

Lease payments recognised as an expense in the statement of financial activities were £34,583 (2023: £37,973).

35. 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 2024 and 2023. The loan is interest free.

The company has a wholly owned subsidiary, Cromford Mill Limited, as detailed in note 36.

During the year, The Arkwright Society Limited charged the subsidiary rent and service charges of £77,777 (2023: £nil) labour recharges of £35,712 (2023: £nil) management and administration fees of £nil (2023: £nil). During the year the subsidiary made sales of £nil (2023: £1,854) to The Arkwright Society Limited and purchases from The Arkwright Society Limited of £171,089 (2023: £40,216).

During the year H Bishop, a Trustee, used the charity's shop to sell some goods to the value of £30. The income was received by the charity and then passed on to the Trustee.

At 31 March 2024, the charity owed £46,928 to the subsidiary (2023: £810).

During the year J Rivers, a Trustee donated £54,500 to the charity to cover a horsebox purchase, wage costs and other general costs.

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36. Principal subsidiaries

The following was a subsidiary undertaking of the company:

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

The financial results of the subsidiary for the year were:

Name	2024 £	2023 £
<i>Cromford Mills Limited</i>		
Income	749,916	645,230
Expenditure	(727,442)	(628,772)
Profit for the year	<u>22,474</u>	<u>16,458</u>
Total assets	175,557	175,574
Total liabilities	(156,979)	(159,136)
Net assets	<u>18,578</u>	<u>16,438</u>