

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 2025

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THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

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THE ARKWRIGHT SOCIETY LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025

Trustees	J Rivers, Chair H Bishop A Cochrane (appointed 1 January 2025) V Dawson C Feely P Holt G Lewins J Phipps A Rawlings (resigned 31 December 2024) N Riddle P Stuart (appointed 11 September 2024)
Company registered number	01630237
Charity registered number	515526
Registered office	Cromford Mill 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 Albert Works Sidney Street Sheffield S1 4RG
Bankers	Lloyds TSB plc Compton Ashbourne Derbyshire DE6 1DY
Solicitors	Geldards LLP Number One Price Place Pride Park Derby DE24 8QR

THE ARKWRIGHT SOCIETY LIMITED
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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

The Chairman presents his statement for the year.

Our financial year 2024/2025 proved as good as any in recent times, and the Trustees were able to sign off the accounts for 2023/24 on 11th September 2024 and the accounts for 2024/25 30th July 2025. This was because we have been increasingly able to provide satisfactory 'going concern' forecasts for the ensuing 12 months. These set out our continuing commitments to improve our profitability by increasing our income and, more particularly, to materially grow our fundraising not only from charitable trusts but also increasingly from donations from visitors to Cromford Mills and from individual and corporate sponsors.

As you can see from the Accounts, the Society is still only trading profitably marginally in the face of continually rising costs, but we entered the current year with a good deal more confidence than in my last Chairman's statement, when I explained that we were unable to sign off the 2022/23 Accounts until 20th March 2024.

We have other good reasons to be more confident in our future. During 2023-2025, we received grants from the National Heritage Lottery Fund for about £500,000 which have enabled us to strengthen our organisation, support our development and deliver a wider range of community activities. We also received a grant from Historic England and the Pilgrim Trust to replace the badly damaged asbestos roof on 'The First Mill' with a temporary but robust roof. Historic England also funded essential repair works on Building 1. All these projects were successfully completed in 2024/25.

However, the best reason for our rising confidence is that the National Lottery Heritage Fund has just awarded the Arkwright Society £1,369,418 to fund the development stage of our project to refurbish Building 1 which is the next transformation project. Further funding has been secured from the Pilgrim Trust and the Architectural Heritage Fund. Our ambition is to provide a new restaurant on the ground floor, with office/overnight accommodation, and a function suite on the upper floors. Completion of this project will encourage the Society to look forward to a sustainable future, enabling it to continue to care for the historic Cromford Mills.

The Trustees very much appreciate and are greatly encouraged by the continuing confidence our funders show in us, particularly the National Lottery Heritage Fund and Historic England. But we also thank our bankers Lloyds, the Charity Bank and the Architectural Heritage Fund with whom we have outstanding loans, all of which we are continuing to repay during these difficult times.

Nothing is achieved without people and the Trustees recognize that the Society is well blessed with its staff and volunteers who work exceptionally hard and with enthusiasm under the leadership of our CEO, Eilis Scott; to all, the Trustees give their grateful thanks. But one member of staff I should like to pick out for particular appreciation on this occasion is Clare Harris, our CFO, for her dedicated work in giving financial leadership, and managing our accounts over a demanding couple of years and preparing the business plans to support our successful application to fund the development stage of Building 1.



John Rivers
Chairman

Date: 30 July 25

THE ARKWRIGHT SOCIETY LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their annual report together with the audited financial statements of the group for the year ended 31 March 2025. The Trustees' report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm that the Trustees' report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

The Society has reviewed its Mission and Shared Purpose and has established its Values. It has also developed a Vision Statement for the Cromford Mills site, which forms a key part of the Arkwright Society's Strategic Business Plan and Masterplan for Cromford Mills. This work, supported by the National Lottery Heritage Fund, took place through consultation and discussion with staff, volunteers, and trustees during the period 2023–2025.

The Arkwright Society's Mission and Shared Purpose

The Arkwright Society is dedicated to sustaining, enhancing and celebrating the international heritage of Cromford Mills and the Derwent Valley, a UNESCO World Heritage Site. We foster Arkwright's innovation and pioneering spirit through conservation, education, and active community engagement, united in our commitment by staff, volunteers, and members.

The Vision for Cromford Mills (2023 Strategic Business Plan and Masterplan)

Cromford Mills is a unique blend of industrial heritage, innovation, and learning, inspiring both visitors and the local community. Our vision for the next decade will take forward the next major regeneration efforts to create a sustainable and bustling place that seamlessly blends heritage with innovation. We will create inclusive and accessible spaces and activities where creativity and enterprise flourish. Whether you're here to explore, work or stay, Cromford Mills will continue to offer a dynamic environment that celebrates its rich history while embracing the future.

We will do this by:

- Celebrating our heritage
- Empowering education
- Fostering innovation
- Cultivating community

Objectives and activities (continued)

Our Core Values

Our values will help us collectively take forward what we stand for:

Pride

.....in our place, in all that we do, in ourselves and our natural and built heritage.

Respect

.....for everyone, for our place and environment, ensuring inclusivity for all.

Clarity

.....of purpose and direction, through our commitment to effective communication and open collaboration.

Empowerment

.....enabling everyone to be the best they can be, to create the future we want.

Resilience

.....working together to deliver sustainable solutions, by being open, flexible and creative.

b. Activities undertaken to achieve objectives

The Society delivers its charitable objects through a range of activities, many of which are long established. Its principal educational provision is made through the delivery of primary, secondary school and higher educational visits. This is strengthened by our Strategic Partnership with the University of Derby. 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 for the period 2025 onwards. The Society hosts work placements for students and adults seeking employability skills, to develop their capabilities within the workplace and gain a deeper understanding of the Charity and its objectives. An example of this during 2024/25 has been continued working with the YMCA in Derby to support young adults seeking employment skills.

Throughout the year, heritage 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.

During the reporting year, the Society continued to tackle high-level repairs and essential maintenance. Funding was secured from the National Lottery Heritage Fund and the Headley Trust to support high-level conservation work and drainage improvements. Funding from Historic England and The Pilgrim Trust enabled an interim repairs to the First Mill, where a part-asbestos roof was replaced with a new metal sheet covering, and high-level structural repairs were completed. The delivery of these works highlights the Society's ongoing reliance on securing capital grants to meet its long-term conservation and repair obligations across the site.

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 continues to actively advocate for greater support.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Objectives and activities (continued)

The Head of Engagement, with the Volunteer Coordinator, staff and volunteer representatives, are identifying volunteering opportunities and have defined those roles through role profiles – advertised through the website and other channels. An increase in volunteer recruitment has led to several new volunteering roles across activities including administration, membership and events. 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 volunteers.
- 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, specifically through the delivery of guided tours across the Cromford Mills site and Cromford village for adult groups, schools, and the general public throughout the year. This includes heritage interpretation through industrial and local history resources, both in print and digital formats, alongside the development of archive material to support educational research. The Society also provides programmes of talks, visits, and events relating to sites of historical interest. Broader educational support is also offered, with initiatives around sustainability, work placements, and employability skills, all leveraging the unique setting of this working heritage site.
- The advancement of arts, heritage, and culture, demonstrated through the Society's continued commitment to the regeneration of Cromford Mills and the adaptive reuse of its historic buildings to ensure long-term sustainability. This includes maintaining public access to key sites to support enjoyment and engagement; active membership in the Derwent Valley Mills World Heritage Site Partnership and its committees, where the Society is represented; and promotion of the European Route of Industrial Heritage, for which Cromford Mills is a designated anchor point. The Society also participates in national and regional heritage programmes, particularly those linked to the Derwent Valley. An extensive and inclusive annual events programme further promotes arts, culture, and heritage, aiming to attract and engage broader and more diverse audiences beyond the traditional heritage visitor base.
- 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report

Achievements and performance

a. Key performance indicators

Notes 4 to 8 detail income which totals £2,513K (2024: £2,053k). Within these:

- Income from other trading activities increased by £78K to £845K (2024: £767k).
- Income from charitable activities increased by £665k to £1,423k (2024: £758k).
- Other incoming resources decreased by £116k to £78k (2024: £194k).
- Income from donations and legacies decreased by £169k to £163k (2024: £332k).
- Investment income has increased from £2k to £3k.

Notes 9 and 10 detail costs of raising funds and charitable activities which total £2,500k (2024: £1,851k). Within these:

- Governance costs total £49,259 (2024: £40,255).

The net surplus for the year totalled £12k (2024: surplus of £202k). This was made up of a surplus of £67k on unrestricted funds (2024: £8k deficit) and a deficit of £55k on restricted funds (2024: £210k surplus).

At the year-end reserves consisted of restricted funds of £2,589k (2024: £2,644k) and unrestricted funds of £1,602k (2024: £1,535k), a total of £4,191K (2024: £4,179k).

b. Review of activities

The Arkwright Society continues to make significant progress toward its objective of regenerating the Cromford Mills site. A key focus remains the restoration and reuse of underutilised buildings, with the ultimate aim of removing them from Historic England's Heritage at Risk Register. The buildings included on the Register are Building 18 (The First Mill), Building 1 & 7 (annex to the Second Mill) and recently added, Buildings 21 & 26 (Grace Cottage and Archive)

During the year ending March 2025, the Society took important steps forward, supported by two generous grants totalling approximately £500,000 from The National Lottery Heritage Fund. These grants, which concluded in May 2025, have strengthened the Society's organisational resilience and underpinned core conservation efforts. Additional major funding of c£400,000 was secured from Historic England and The Pilgrim Trust to deliver an interim repair solution for the First Mill (Building 18). This critical intervention has included the removal of contamination from the third floor, replacement of the deteriorating asbestos roof with a new metal sheet covering, and essential high-level structural repairs. As a result, the building is now secure for at least the next decade, providing a vital window for the Society to redirect its regeneration efforts toward Building 1 – also 'at risk' – with the aim of converting it into income-generating uses. This is a crucial part of delivering a more financially sustainable future for the site, enabling the Charity to continue its wider charitable and community-focused work.

These projects represent key milestones in the delivery of the Society's Strategic Business Plan and Masterplan. Both provide a clear framework for prioritising future regeneration efforts and sequencing major capital projects, while maintaining a careful balance between commercial viability and public access, engagement, and education.

Maintaining and regenerating a complex, historically significant site like Cromford Mills remains a major challenge. The ageing fabric of the buildings requires constant care, attention, and funding. Despite the ongoing impact of the COVID-19 pandemic, escalating utility costs, and broader economic uncertainty, the Society has remained steadfast in its mission. These challenges have reinforced the importance of collaboration with key stakeholders and strategic partners.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report (continued)

Achievements and performance (continued)

The Society remains optimistic about its ability to build long-term resilience and continue progressing toward its central objective: *the full regeneration of Cromford Mills as a sustainable, heritage-led community asset.*

Property & Site Operations

Demand for office and retail space at Cromford Mills remains strong, particularly within Cromford Creative (Building 17), where occupancy levels have continued to reflect high interest. Revenue generated from this demand has met expectations and indicates continued short -to medium-term growth potential.

In 2023/24, an IT infrastructure review highlighted the need for future investment to maintain the site's competitiveness and reduce vulnerabilities to system failures and cyber threats. With funding from The National Lottery Heritage Fund and the UK Shared Prosperity Fund, key upgrades were delivered during 2024/25, including the installation of new fibre cabling, a modern firewall, and updated IT equipment. These improvements have significantly enhanced the speed, reliability, and security of IT systems, supporting both Cromford Mills' trading operations and its tenancies.

While health and safety and compliance have always been a priority, this year saw a renewed focus on refining processes, building efficiencies, and ensuring staff have the training and support required to manage the complexity of the site and its activities. This has included equipping the team with skills to meet a broad range of responsibilities, from overseeing the waterpower project and working at height, to managing maintenance needs, coordinating external contractors, and upholding fire safety protocols. Staff are also involved in the delivery and oversight of capital repair projects, including essential high-level works such as gutter clearance and structural maintenance to protect the long-term condition of historic buildings.

Across the wider estate, volunteer contributions remain invaluable. Their ongoing support helps maintain the natural environment, particularly at Church Walk and the Lumsdale Valley. Although the Society does not currently have the funds required to carry out major repairs to the scheduled monument area at Lumsdale, the efforts of volunteers and the maintenance team ensure woodland areas and historic structures are managed sensitively within the existing capacity and limited resources.

Heritage, Visitors & Volunteering

The heritage offer, which includes guided tours, the visitor centre, and the programme of heritage talks, remains a central pillar of the Society's mission and a significant focus of our future plans. Increasing the percentage of visitors who engage with our heritage offer presents a valuable opportunity to grow impact and income without necessarily increasing footfall. Staff and volunteers continue to play a vital role in delivering heritage experiences. Their expertise and commitment are central to the success of our tours, heritage interpretation, and public engagement. As an example, the Highlighting Heritage talk series, led by volunteers across both Cromford and Belper, remains popular and continues to delight local audiences wanting to learn about local heritage in an engaging and accessible way. We are committed both to recruiting new volunteers and to investing in the support and development of our existing volunteer teams, ensuring their contributions are recognised and deployed effectively.

Strategic report (continued)

Achievements and performance (continued)

Enhancements to interpretation and the addition of historic objects in the visitor centre have enriched the visitor experience and created opportunities to expand the heritage offer to reach a broader audience. This will be a focus for the year ahead. Data from the past year suggests increasing interest in shorter, more accessible general tours, while still maintaining a strong demand for in-depth, specialist-led experiences. The delivery of these tours is dependent on the knowledge and experience of both our volunteers and our Visitor Experience team.

On-site improvements have also included upgraded signage and wayfinding, helping to raise the overall quality of the visitor experience. These enhancements followed a brand refresh and the launch of a new website centred on Cromford Mills' identity and its place within the wider landscape. A major success this year has been the growth of our digital presence. Investment in equipment, staff training, and external consultancy has strengthened our social media output. This has led to a significant increase in online engagement, which has directly contributed to higher participation in events and growth in associated income. These initiatives were funded through the National Lottery Heritage Fund resilience grants and the Arkwright Society is particularly grateful to them and lottery players for their support.

Education and Learning

Our educational programmes for primary schools (Key Stage 1 and 2) continue to perform strongly, with bookings approaching full capacity under current resource levels. We are actively working to empower our volunteer team to take a more involved role in programme delivery, enabling smaller group sizes and improving overall pedagogy.

In August 2024, a Strategic Partnership was signed with the University of Derby for an initial one-year collaboration focused on student engagement, with particular emphasis on Special Educational Needs and Disabilities (SEND). This partnership has proven highly successful and is currently undergoing evaluation in July 2025. Activities to date have included student-led live briefs in public history and marketing, as well as advisory support to the Arkwright Society in shaping proposals for a major capital grant application for Building 1.

We have continued to expand our informal learning offer during school holidays, connecting activities to the wider events programme. One example is the development of cultural and informal learning linked to the historic waterwheel, supported by our on-site retail tenants. The Making Spaces initiative has provided craft-based activities and visitor engagement opportunities, successfully supporting wellbeing and family participation.

In early 2024, Cromford Mills became lead for the Cromford, Matlock and Wirksworth 'hub' for the new Derbyshire Makes campaign. Inspired by the county's rich heritage of making and manufacturing, its unique landscape, and the creative communities that call Derbyshire home, the initiative celebrates innovation, creativity, design, craft, skills, and industry. Cromford Mills hosted one of the festival events during April 2025 for the first year of the three year programme. The success of this initial festival has laid strong foundations for future partnership and programming opportunities that combine heritage, creativity, and learning.

Conferencing & Events

Events continue to play a vital role in the Society's income generation and audience development strategy. We have broadened our programming beyond traditional Georgian-themed heritage events to include more contemporary formats such as Comicon, Cromford Builds, classic car shows, and Adventure Weekend. This more diverse and inclusive offer has allowed us to engage a wider demographic and welcome new audiences who are experiencing Cromford Mills in new and meaningful ways.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report (continued)

Achievements and performance (continued)

These events bring significant financial benefits through increased secondary spend on site, while also contributing to our mission of widening participation and community engagement. During this reporting year our expanded events calendar has proven effective not only in revenue generation but also in strengthening volunteer participation. Key events such as the Dog Show, The Vikings, and Cromford Builds provide meaningful opportunities for volunteers to support delivery, while helping foster a stronger sense of community and engagement with the site.

In terms of conferencing and venue hire, Cromford Creative and other spaces on site facilitate this offer. While this provides potential for future growth, we recognise the need to ensure our offer remains competitive within the local market.

Membership

We recognise the vital role our members play in sustaining Cromford Mills as an internationally significant heritage site and in supporting the broader charitable aims of the Arkwright Society. In 2024/25, we undertook a review of the membership programme to ensure that the benefits offered remain meaningful and that pricing reflects inflation and current market conditions.

Many of our members join not only for the benefits but because they are passionate supporters of the Society's mission. This was clearly demonstrated at our fundraising event held in March 2025, which successfully raised both funds and awareness. It provided a valuable opportunity to share our ongoing regeneration ambitions, while also highlighting the challenges we face in operating and maintaining such a complex site. The event reaffirmed that there is strong support for the Society's continued progress and aspirations.

Until we can fully repurpose more spaces on-site to generate sustainable income, we remain heavily reliant on grant funding and fundraising activities. In this context, the role of our members, both individual and corporate is more important than ever. As part of our forward strategy, we will continue to review and develop the membership programme, with a goal of growing our membership base and securing long-term engagement and financial resilience.

In 2024, we also launched a Corporate Partnership Scheme, aimed at building stronger relationships with local businesses and organisations who share our values. Corporate partners contribute not only financially, but also through in-kind support, professional advice, and materials. Their involvement is instrumental in helping us deliver conservation and community outcomes. This will be developed in the coming year.

Cromford Mill Ltd

The Arkwright Society's trading arm primarily encompasses its catering and retail operations, both of which are crucial to generating unrestricted income that supports the wider charitable objectives of the Society.

Catering income continues to represent the largest proportion of income for both the trading subsidiary and the Society overall. Over the 2024/25 financial year, income from catering has continued to grow steadily, supported by targeted improvements including investment in new kitchen equipment, streamlined service processes to increase hourly covers, price adjustments, and a focus on menu quality. These improvements form part of an emerging catering growth plan, aimed at enhancing profitability and customer experience.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report (continued)

Achievements and performance (continued)

Despite this progress, the catering operation has faced ongoing external challenges. These include unpredictable weather impacting visitor numbers, ongoing staff recruitment difficulties, inflationary pressures, significantly increased utility costs, and the broader impact of the cost of living crisis. While some effects will be seen in the following financial year, anticipated increases to the National Minimum Wage and changes to National Insurance thresholds have already influenced financial planning and will further impact sustainability going forward.

Retail sales, primarily through the Mill Shop, have also encountered similar external pressures. While there has been some income growth, particularly through better stock control and focused ranges, the overall profitability of the shop remains limited. A notable area of income potential continues to be heritage tour bookings and membership sales, which are managed through the shop. Although tour numbers increased during the year, more bookings were for shorter, lower-priced tours, such as general site introductions, rather than the more comprehensive Mill Manager's Pass, which has contributed to a reduction in average income per sale.

To address this, several changes are planned to improve the visitor experience, increase conversion rates for higher-value tours and memberships, and ensure the visitor experience team is equipped to deliver a more engaging and profitable heritage offer.

c. Fundraising activities and income generation

Fundraising income from day-to-day trading activities has seen a notable uplift compared to 2023/24, supported by continued investment in staff training and highlighting the charitable messaging both onsite and online. The appointment of a Development Manager in March 2024 has brought renewed strategic direction to our fundraising efforts. With additional volunteer involvement, we successfully launched new initiatives like tombolas and enhanced support at events, including the March 2024 fundraiser. In addition to major grants received from the National Lottery Heritage Fund and Historic England, the reporting period also saw the successful securing of several smaller grants from trusts, foundations, and community award schemes. These additional funds have played a valuable role in supporting a range of activities, with a particular emphasis on learning and sustainability initiatives.

This momentum continues as we diversify income streams through an expanded programme of ticketed events, including Cromford Builds and Comicon. This is combined with a hosted-events model with venue hire fees. While free entry to the site remains a core principle, it is essential the Arkwright Society continues to balance affordability with the need to grow revenue, ensuring long-term sustainability.

Financial review

a. Going concern

The Group's surplus for the year of £12,350 consists of a deficit in restricted funds of £55,309 and surplus in unrestricted funds of £67,659. Net current liabilities are £235,533.

These figures for 2024/25 continue to reflect the persistently tough trading environment and the numerous external factors the Society has faced throughout the past two financial years. Despite lacking core funding, the Society has remain resilient, successfully secured capital and project funding from the National Lottery Heritage Fund for delivery during 2023-2025, Historic England, the Pilgrim Trust, UKSPF and the Headley Trust – as well as several trusts and foundations.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

The waterwheel project was completed in 2024 with the launch during the early part of the 2024/25 financial year. It is important to recognise the funding contributions including from the Green Entrepreneurs Scheme and Severn Trent Community Fund, for this significant initiative to bring waterpower back to Cromford Mills and generate onsite electricity.

Support from funders demonstrates their recognition of the Society's strategic importance, the urgency of its funding needs and their confidence in our ability to deliver meaningful outcomes. Moreover, the Society has maintained strong support from its lenders, Lloyds Bank, the Architectural Heritage Fund and the Charity Bank – with consistent capital repayments maintained. The Charity Bank loan completed at the end of March 2025.

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 acknowledge the facilities include increased grants and donations and see this as a priority area, as the Society continues to navigate a complex funding landscape.

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.

b. Reserves policy

The Trustees have considered the reserves held by the Arkwright Society as of 31 March 2025. 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 £4,191k (2024: £4,179k) of which £1,602k (2024: £1,535k) were unrestricted funds.

The unrestricted reserves are £1,602k 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 £235,533 represented by unrestricted funds of £705,280 and therefore there are net current assets relating to restricted funds of £469,747. 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 Society 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
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Structure, governance and management (continued)

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.

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 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 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

Structure, governance and management (continued)

affordability and the need to remain competitive.

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.

Plans for future periods

Future developments

The Society's priorities for 2025–2026 are centred on restoring a more stable trading pattern, supporting the professional development and wellbeing of staff and volunteers, and advancing the delivery of the Strategic Business Plan alongside the refreshed site-wide masterplan.

A major focus will be taking forward plans for the restoration and repurposing of Building 1. This project is critical to the Society's long-term sustainability, with the urgent need to secure significant capital investment to unlock new, reliable income streams.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Plans for future periods (continued)

Following completion of the interim repair solution to the First Mill, attention is focused on the broader Cromford Mills site and the Wharf buildings, where further repair works are dependent on continued grant support. Essential infrastructure maintenance and the stewardship of Lumsdale also remain high priorities, with ongoing reliance on external funding to deliver these works.

In a positive step, a project development grant has been secured from Historic England to assess the condition and explore future proposals for the repair and conversion of Grace Cottage and Building 21. This terrace is currently on the National Heritage at Risk Register. A viable scheme could bring them back into productive use, removing them from the 'at risk' register, improving the site's appearance and generating income for the Society.

The Society will continue to expand its informal learning and cultural programming, which have demonstrated good community impact and growing public engagement. A review of the heritage offer, particularly around guided tours and interpretive experiences, is planned, with the aim of creating a more dynamic and engaging visitor experience. Ongoing investment in volunteer development and staff training remains a priority, further embedding the Society's values and strengthening the organisation's capacity. Closer collaboration with local communities will also be a key focus, recognising the mutual value in partnership working.

To support income generation, the Society will pursue improvements to its events programme, retail, and catering offer. Finally, the Society looks forward to building on its strategic partnership with the University of Derby, continuing this valuable collaboration over the next two years.

Information on fundraising practices

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

Funding for specific projects may be sought via sponsorship, donations, 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 ensure 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 2025

Statement of Trustees' responsibilities

The Trustees (who are also the Directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial 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.

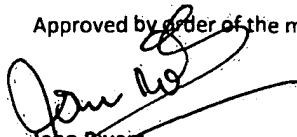
Disclosure of information to auditor

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.

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: 30 July 25

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 2025, 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 2025, 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 £12,350 during the year ended 31 March 2025 and as at that date the group has negative free reserves of £705,280. 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
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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 trustees' 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.

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
Albert Works
Sidney Street
Sheffield
S1 4RG

Date: *30 July 2025*

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 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and legacies	4	141,266	22,101	163,367	331,692
Charitable activities	5	609,492	813,738	1,423,230	758,358
Other trading activities	6	844,874	-	844,874	766,612
Investments	7	2,912	-	2,912	1,954
Other income	8	78,215	-	78,215	194,327
Total income		1,676,759	835,839	2,512,598	2,052,943
Expenditure on:					
Raising funds	9	644,364	-	644,364	653,002
Charitable activities	10	964,736	891,148	1,855,884	1,197,837
Total expenditure		1,609,100	891,148	2,500,248	1,850,839
Net movement in funds		67,659	(55,309)	12,350	202,104
Reconciliation of funds:					
Total funds brought forward		1,534,534	2,644,146	4,178,680	3,976,576
Net movement in funds		67,659	(55,309)	12,350	202,104
Total funds carried forward		1,602,193	2,588,837	4,191,030	4,178,680

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 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	17	1,256,607	1,221,048
Heritage assets	18	3,925,164	3,925,164
		<u>5,181,771</u>	<u>5,146,212</u>
Current assets			
Debtors	20	128,010	104,261
Cash at bank and in hand		208,165	241,792
		<u>336,175</u>	<u>346,053</u>
Current liabilities			
Creditors: amounts falling due within one year	21	(571,708)	(465,691)
Net current liabilities		<u>(235,533)</u>	<u>(119,638)</u>
Total assets less current liabilities		<u>4,946,238</u>	<u>5,026,574</u>
Creditors: amounts falling due after more than one year	22	(734,955)	(825,419)
Accruals and deferred income	23	(20,253)	(22,475)
Total net assets		<u><u>4,191,030</u></u>	<u><u>4,178,680</u></u>
Charity funds			
Restricted funds (includes revaluation reserve of £nil (2024: £nil))	24	2,588,837	2,644,146
Unrestricted funds (includes revaluation reserve of £2,007,750 (2024: £2,007,750))	24	1,602,193	1,534,534
Total funds		<u><u>4,191,030</u></u>	<u><u>4,178,680</u></u>


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

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

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: 30 July 25

The notes on pages 26 to 56 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 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	17	1,173,294	1,127,775
Heritage assets	18	3,925,164	3,925,164
Investments	19	2	2
		<u>5,098,460</u>	<u>5,052,941</u>
Current assets			
Debtors	20	127,188	104,073
Cash at bank and in hand		164,921	206,461
		<u>292,109</u>	<u>310,534</u>
Current liabilities			
Creditors: amounts falling due within one year	21	(568,034)	(380,677)
Net current liabilities		<u>(275,925)</u>	<u>(70,143)</u>
Total assets less current liabilities		<u>4,822,535</u>	<u>4,982,798</u>
Creditors: amounts falling due after more than one year	22	(734,955)	(822,694)
Total net assets		<u><u>4,087,580</u></u>	<u><u>4,160,104</u></u>
Charity funds			
Restricted funds (includes revaluation reserve of £nil (2024: £nil))	24	2,588,837	2,644,146
Unrestricted funds (includes revaluation reserve of £2,007,750 (2024: £2,007,750))	24	1,498,743	1,515,958
Total funds		<u><u>4,087,580</u></u>	<u><u>4,160,104</u></u>

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)


COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

The Company's net movement in funds for the year was £(72,524) (2024 - £199,964).

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: 30 July 2025

The notes on pages 26 to 56 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 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	27	205,800	37,674
Cash flows from investing activities			
Interest received		2,912	1,954
Proceeds from the sale of tangible fixed assets		(248)	179,276
Purchase of tangible fixed assets		(81,567)	(267,562)
Net cash used in investing activities		(78,903)	(86,332)
Cash flows from financing activities			
Cash inflows from new borrowing		-	62,154
Repayments of borrowing		(93,319)	(71,461)
Interest paid		(67,205)	(50,992)
Net cash used in financing activities		(160,524)	(60,299)
Change in cash and cash equivalents in the year		(33,627)	(108,957)
Cash and cash equivalents at the beginning of the year		241,792	350,749
Cash and cash equivalents at the end of the year	28	208,165	241,792

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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 reported a profit of £12,350 for the year, comprising a deficit of £55,309 in restricted funds and surplus of £67,659 in unrestricted funds. Net current liabilities stand at £235,533.

These figures reflect the continued challenging trading environment and the numerous external pressures the Society faces. Despite the absence of core funding, the Society has successfully secured capital and programme-specific funding to support its activities. This includes support from the National Lottery Heritage Fund, Historic England, The Headley Trust, Garfield Weston Foundation, other trusts and foundations, and private donors, with funding committed for expenditure into 2024–2025.

In July 2025 for the period of two years, the Society has secured £1.3 million in project development funding from the National Lottery Heritage Fund. This represents a significant milestone in advancing the transformation of Building 1 within the Cromford Mills complex. The funding allows the Society to progress with detailed planning and development for its next major regeneration project. This, along with other funding received, reflects both recognition of the Society's needs and confidence in its ability to deliver projects and maintain momentum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.2 Going concern (continued)

Nevertheless, the Trustees recognise the ongoing challenge of securing the additional major capital funding required to deliver this transformational project, which is anticipated to commence from 2027 onwards. In the interim, the focus remains on ensuring the Society's financial sustainability and organisational resilience. Meeting income targets, including core fundraising and grant income, remains a priority to support ongoing activities.

The Society continues to benefit from strong support from its lenders. The Architectural Heritage Fund granted capital repayment holidays during the recovery period, while the Charity Bank and Lloyds have received regular capital repayments in accordance with agreed terms. The Charity Bank loan repayment was completed in March 2025.

The Trustees have prepared detailed forecasts of income, expenditure, and cash flow for the 12-month period following approval of these financial statements. These projections indicate that the Society will be able to operate within its available financial facilities. The Trustees note that these forecasts assume an increase in grant and donation income and recognise the need for continued organisational capacity and skills to support this effort as a strategic priority.

While some uncertainty remains in relation to future fundraising targets, sensitivity analyses have been carried out using prudent assumptions. The resulting forecasts and cash flow projections demonstrate that the Society's available facilities are sufficient. Accordingly, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

The financial statements do not include any adjustments that might be necessary should the going concern assumption prove inappropriate.

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.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.3 Income (continued)

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.

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 ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.6 Taxation (continued)

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.

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:

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

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

Freehold and long leasehold buildings and heritage assets are held at valuation. Depreciation is provided in order to write off the value of the properties to their residual value over their useful lives. The residual value is the amount that the charity would currently obtain from disposal of an asset, after deducting the estimated costs of disposal. The current residual values are equal to the net book value so that any element of depreciation would be immaterial. Therefore no depreciation is being provided on the properties held at valuation. The Trustees carry out annual impairment reviews to ensure the carrying value of the freehold property remains appropriate in comparison with residual value.

2.8 Heritage assets

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

NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.8 Heritage assets (continued)

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.

2.9 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 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.

2.11 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.

2.12 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. Accounting policies (continued)

2.13 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.

2.14 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.

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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.

4. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations and gifts received	141,266	22,101	163,367	81,083
Grants receivable	-	-	-	250,609
	<u>141,266</u>	<u>22,101</u>	<u>163,367</u>	<u>331,692</u>
Total 2024	<u>81,083</u>	<u>250,609</u>	<u>331,692</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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5. Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Property services	420,319	625,428	1,045,747	486,574
Visitor services	93,420	18,199	111,619	220,953
Education and tours	95,753	170,111	265,864	50,831
Total 2025	609,492	813,738	1,423,230	758,358
Total 2024	522,682	235,676	758,358	

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Fundraising events	25,117	25,117	16,696
Cromford Mill Limited sales	819,757	819,757	749,916
	844,874	844,874	766,612
Total 2024	766,612	766,612	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

7. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Bank interest receivable	2,912	2,912	1,954
	<hr/>	<hr/>	<hr/>
Total 2024	1,954	1,954	
	<hr/>	<hr/>	

8. Other income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Car park income	78,215	78,215	69,304
Income from recharged staff	-	-	2,747
Profit on disposal of fixed assets	-	-	122,276
	<hr/>	<hr/>	<hr/>
	78,215	78,215	194,327
	<hr/>	<hr/>	<hr/>
Total 2024	194,327	194,327	
	<hr/>	<hr/>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

9. Expenditure on raising funds

Direct costs

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Cromford Mill Limited- other costs	294,860	294,860	308,184
Cromford Mill Limited- wages and salaries	326,921	326,921	322,280
Cromford Mill Limited- NI	16,629	16,629	16,738
Cromford Mill Limited - pension costs	5,954	5,954	5,800
	<u>644,364</u>	<u>644,364</u>	<u>653,002</u>
Total 2024	<u><u>653,002</u></u>	<u><u>653,002</u></u>	

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
Visitors services	335,755	17,419	353,174	545,392
Property services	379,884	520,668	900,552	424,986
Heritage site management	222,439	330,460	552,899	187,204
Governance (note 13)	26,658	22,601	49,259	40,255
	<u>964,736</u>	<u>891,148</u>	<u>1,855,884</u>	<u>1,197,837</u>
Total 2024	<u><u>1,008,302</u></u>	<u><u>189,535</u></u>	<u><u>1,197,837</u></u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

11. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £	Total funds 2024 £
Visitors services	326,962	26,212	353,174	545,392
Property services	809,674	90,878	900,552	424,986
Heritage site management	445,123	107,776	552,899	187,204
Governance (note 13)	-	49,259	49,259	40,255
	<u>1,581,759</u>	<u>274,125</u>	<u>1,855,884</u>	<u>1,197,837</u>
Total 2024	<u>920,010</u>	<u>277,827</u>	<u>1,197,837</u>	

Analysis of support costs

	Total funds 2025 £	Total funds 2024 £
Staff costs	215,552	227,440
Payroll and bookkeeping fees	9,314	10,132
Governance costs (note 13)	49,259	40,255
	<u>274,125</u>	<u>277,827</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
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12. Net income/(expenditure)

This is stated after charging:

	2025	2024
	£	£
Loss/(profit) on disposal of tangible fixed assets	248	(122,276)
Depreciation of tangible fixed assets owned by the group	46,008	28,656
	46,256	28,530

13. Governance costs

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Audit and accountancy fees	26,658	-	26,658	20,282
Cromford Mill strategic costs	-	22,601	22,601	19,973
	26,658	22,601	49,259	40,255
Total 2024	20,282	19,973	40,255	

14. Auditor's remuneration

	2025	2024
	£	£
Fees payable to the group's auditor for the audit of the annual accounts	20,510	18,605
Fees payable to the group's auditor in respect of:		
All non-audit services not included above	6,080	6,510
	26,590	25,115

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

15. Staff costs

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Wages and salaries	835,753	827,390	508,832	505,110
Social security costs	58,098	54,692	41,469	37,954
Contribution to defined contribution pension schemes	23,759	22,280	17,805	16,480
	<u>917,610</u>	<u>904,362</u>	<u>568,106</u>	<u>559,544</u>

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

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

	Group 2025 No.	Group 2024 No.
Tourism and visitor services	15	16
Site maintenance	4	4
Catering and retail	26	23
Administration and support	6	7
	<u>51</u>	<u>50</u>

The average headcount expressed as full-time equivalents was:

	Group 2025 No.	Group 2024 No.
Tourism and visitor services	9	7
Site maintenance	4	3
Catering and retail	13	13
Administration and support	6	6
	<u>32</u>	<u>29</u>

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FOR THE YEAR ENDED 31 MARCH 2025

15. Staff costs (continued)

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

	Group 2025 No.	Group 2024 No.
In the band £60,001 - £70,000	1	1

The total amount of employee benefits received by key management personnel including employers national insurance and pension contribution is £325,735 (2024: £326,582). The Trustees consider its key management personnel comprise the Chief Executive Officer, Chief Finance Officer, Catering Manager, Fundraising 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 (2024 - £NIL).

During the year ended 31 March 2025, no Trustee expenses have been incurred (2024 - £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
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17. Tangible fixed assets

Group

	Freehold property valuation £	Leasehold property valuation £	Cromford wheatcroft cost £	Waterwheel asset £	Fixtures and fittings cost £	Total £
Cost or valuation						
At 1 April 2024	336,000	385,000	153,496	356,676	233,987	1,465,159
Additions	-	-	-	81,567	-	81,567
Disposals	-	-	-	-	(11,221)	(11,221)
At 31 March 2025	336,000	385,000	153,496	438,243	222,766	1,535,505
Depreciation						
At 1 April 2024	-	-	67,178	-	176,933	244,111
Charge for the year	-	-	7,675	21,912	16,421	46,008
On disposals	-	-	-	-	(11,221)	(11,221)
At 31 March 2025	-	-	74,853	21,912	182,133	278,898
Net book value						
At 31 March 2025	336,000	385,000	78,643	416,331	40,633	1,256,607
At 31 March 2024	336,000	385,000	86,318	356,676	57,054	1,221,048

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17. Tangible fixed assets (continued)

Company

	Freehold property valuation £	Leasehold property valuation £	Waterwheel cost £	Fixtures and fittings cost £	Total £
Cost or valuation					
At 1 April 2024	336,000	385,000	356,676	212,432	1,290,108
Additions	-	-	81,567	-	81,567
Disposals	-	-	-	(11,221)	(11,221)
At 31 March 2025	336,000	385,000	438,243	201,211	1,360,454
Depreciation					
At 1 April 2024	-	-	-	162,333	162,333
Charge for the year	-	-	21,912	14,136	36,048
On disposals	-	-	-	(11,221)	(11,221)
At 31 March 2025	-	-	21,912	165,248	187,160
Net book value					
At 31 March 2025	336,000	385,000	416,331	35,963	1,173,294
At 31 March 2024	336,000	385,000	356,676	50,099	1,127,775

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

	Group 2025 £	Group 2024 £
Freehold property	118,000	118,000
Long-term leasehold property	197,599	197,599
	315,599	315,599

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 valuation as at 31 March 2025.

18. Heritage assets

Group and Company

Assets held at valuation

	Building 17 2025 £	Cromford Mill 2025 £	Total 2025 £
Carrying value at 1 April 2024	1,622,414	2,302,750	3,925,164
Carrying value at 31 March 2025	1,622,414	2,302,750	3,925,164

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FOR THE YEAR ENDED 31 MARCH 2025

18. Heritage assets (continued)

Analysis of heritage asset transactions

Group and Company

	2025	2023	2023	2022	2021
	£	£	£	£	£
Charge for depreciation/ impairment					
Depreciation - heritage assets at cost (as restated)	-	-	-	-	(88,241)
Impairment - heritage assets at cost	-	-	-	-	(2,349,197)
Total charge for impairment	-	-	-	-	(2,437,438)

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 2025.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

19. Fixed asset investments

<i>Company</i>	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2024	<u>2</u>
At 31 March 2025	<u>2</u>
Net book value	
At 31 March 2025	<u>2</u>
At 31 March 2024	<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 34.

Transactions during the year with the subsidiary are disclosed in note 33.

20. Debtors

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Trade debtors	64,477	48,272	64,351	48,272
Other debtors	10,812	163	10,812	-
Prepayments and accrued income	52,721	55,826	52,025	55,801
	<u>128,010</u>	<u>104,261</u>	<u>127,188</u>	<u>104,073</u>

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21. Creditors: Amounts falling due within one year

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Bank loans	114,100	116,955	111,401	85,699
Architectural Heritage Fund loan	50,972	50,972	50,972	50,972
Trade creditors	221,083	89,988	182,052	68,528
Amounts owed to group undertakings	-	-	87,106	46,928
Other taxation and social security	32,190	49,560	(266)	(7,535)
Other creditors	80,099	83,818	78,749	80,380
Accruals and deferred income	73,264	74,398	58,020	55,705
	<u>571,708</u>	<u>465,691</u>	<u>568,034</u>	<u>380,677</u>

Deferred income represents market income received in advance for market stalls and room hire during 2024/25.

	Group 2025 £	Group 2024 £
Deferred income		
Deferred income at 1 April 2024	5,027	6,107
Resources deferred during the year	6,924	5,027
Amounts released from previous periods	(5,027)	(6,107)
	<u>6,924</u>	<u>5,027</u>

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FOR THE YEAR ENDED 31 MARCH 2025

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

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Bank loans	334,026	348,304	334,026	345,579
Architectural Heritage Fund loan re Building 17 and DCC loan	400,929	477,115	400,929	477,115
	734,955	825,419	734,955	822,694

Bank loans and overdrafts totalling £385,972 (2024: £465,276) 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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23. Accruals and deferred income

	Group 2025 £	Group 2024 £
Grants	<u>20,253</u>	<u>22,475</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.

24. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers In/out £	Balance at 31 March 2025 £
Unrestricted funds					
General Funds - charity	1,515,958	857,002	(903,491)	29,274	1,498,743
General Funds - subsidiary	18,576	819,757	(705,609)	(29,274)	103,450
	<u>1,534,534</u>	<u>1,676,759</u>	<u>(1,609,100)</u>	<u>-</u>	<u>1,602,193</u>
Restricted funds					
Building 17 development & project fund	1,967,451	45,495	(82,233)	-	1,930,713
Lumsdale project	5,086	2,464	(1,496)	-	6,054
Cromford Station	139,438	-	-	-	139,438
Cromford hydro scheme	306,039	138,586	(62,143)	-	382,482
Sundry projects	4,213	8,075	(600)	-	11,688
Arkwright's books and artefacts	4,008	-	-	-	4,008
Slinter Woodland project	2,252	-	-	-	2,252
Education materials	2,045	-	-	-	2,045
Waterwheel Fund	58,140	21,961	(9,121)	-	70,980
DV Tours Project	6,318	1,516	(6,534)	-	1,300
NLHF Emergency Grants	141,439	103,115	(293,802)	-	(49,248)
DE-Carbonise Grant	12,483	-	(3,074)	-	9,409
B18 project development	(4,766)	349,831	(355,023)	-	(9,958)
The Headley Trust	-	65,000	(25,000)	-	40,000
Arts Derbyshire CIO	-	24,796	(12,275)	-	12,521

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24. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
The Foyle Foundation	-	30,000	(25,000)	-	5,000
Rosemary Nieper	-	25,000	-	-	25,000
29th May 1961	-	5,000	-	-	5,000
MDEM - Museums at Risk Resilience Support	-	15,000	(14,847)	-	153
	2,644,146	835,839	(891,148)	-	2,588,837
Total of funds	4,178,680	2,512,598	(2,500,248)	-	4,191,030

Statement of funds - prior year

	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
	1,542,213	1,566,658	(1,661,304)	86,967	1,534,534

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24. Statement of funds (continued)

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
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)	-
Cromford hydro scheme	30,000	-	-	(30,000)	-
Sundry projects	168,696	160,449	(23,106)	-	306,039
Arkwright's books and artefacts	1,224	3,251	(3,249)	-	1,226
Slinter Woodland project	20,000	-	(19,973)	-	27
Education materials	4,008	-	-	-	4,008
Waterwheel Fund	2,252	-	-	-	2,252
DV Tours Project	1,709	-	-	-	1,709
NLHF Emergency Grants	2,045	-	-	-	2,045
DE-Carbonise Grant	-	90,160	(32,020)	-	58,140
B18 project development	16,896	(5,717)	(4,861)	-	6,318
The Headley Trust	620	-	-	-	620
Arts Derbyshire CIO	5,378	219,299	(83,238)	-	141,439
The Foyle Foundation	381	-	-	-	381
Rosemary Nieper	15,557	256	(3,330)	-	12,483
29th May 1961	(4,500)	8,744	(9,010)	-	(4,766)
MDEM - Museums at Risk Resilience Support	2,475	-	(2,225)	-	250
	<u>2,434,363</u>	<u>486,285</u>	<u>(189,535)</u>	<u>(86,967)</u>	<u>2,644,146</u>
Total of funds	<u>3,976,576</u>	<u>2,052,943</u>	<u>(1,850,839)</u>	<u>-</u>	<u>4,178,680</u>

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24. 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.

Sundry Projects includes many smaller restricted funds. These include the D of D DDCT grant, Briggs Plant Donation, Ironbridge Gorge, Arkwright Lodge 1495 Donations, Joan Link Donation, Grand Provincial (Masonic) Donation, Derbyshire Community Foundation, CVC-Sponsor - SPV Management, HDH Willis, Tramper- Access for all, Guide Resources Fund, Cromford Mill goes digital!, Meeting Point and the Reset & Recovery Grant Fund.

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

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

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

The 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 year end deficit balance is due to funding being claimed in arrears.

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 year end deficit balance is due to funding being claimed in arrears.

The Headley Trust funding will safeguard the most historically significant building complex within the Derwent Valley Mills World Heritage Site. It will address urgent repairs and support a more planned maintenance approach, enhancing organisational resilience.

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24. Statement of funds (continued)

Arts Derbyshire CIO supports a programme of cultural events across the county (six hubs of which Cromford Mill is one) and includes projects produced by local communities and commissions from Derbyshire artists.

The Foyle Foundation is to develop the engagement programme around waterpower.

Rosemary Nieper donation is to support the work on Building 1 to help bring this building into sustainable use.

29th May 1961 will sustain our learning & engagement staff and fund activities vital for the site's continued relevance and vitality.

MDEM- Museums at Risk Resilience Support 2023-2024 is to enable the project development work to create a new exhibition for Cromford and Belper North Mills' joint partnership.

There was one restricted fund in a deficit position in the prior year due to funding being claimed in arrears.

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

25. Summary of funds

Summary of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
General funds	1,534,534	1,676,759	(1,609,100)	-	1,602,193
Restricted funds	2,644,146	835,839	(891,148)	-	2,588,837
	4,178,680	2,512,598	(2,500,248)	-	4,191,030

Summary of funds - prior year

	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
	3,976,576	2,052,943	(1,850,839)	-	4,178,680

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26. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	759,931	496,676	1,256,607
Heritage assets	2,302,750	1,622,414	3,925,164
Current assets	(133,572)	469,747	336,175
Creditors due within one year	(571,708)	-	(571,708)
Creditors due in more than one year	(734,955)	-	(734,955)
Provisions for liabilities and charges	(20,253)	-	(20,253)
Total	1,602,193	2,588,837	4,191,030

Analysis of net assets between funds - prior year

	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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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

	Group 2025 £	Group 2024 £
Net income for the period (as per Statement of Financial Activities)	12,350	202,104
Adjustments for:		
Depreciation charges	46,008	28,656
Amortisation of government grant	(2,222)	(2,223)
Interest received	(2,912)	(1,954)
Interest paid	67,205	50,992
Loss/(profit) on the sale of fixed assets	248	(122,276)
Decrease in stocks	-	21,228
(Increase)/decrease in debtors	(23,749)	12,968
Increase/(decrease) in creditors	108,872	(151,821)
Net cash used in operating activities	205,800	37,674

28. Analysis of cash and cash equivalents

	Group 2025 £	Group 2024 £
Cash in hand	208,165	241,792
Total cash and cash equivalents	208,165	241,792

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

	At 1 April 2024	Cash flows	At 31 March 2025
	£	£	£
Cash at bank and in hand	241,792	(33,627)	208,165
Debt due within 1 year	(167,927)	2,855	(165,072)
Debt due after 1 year	(825,419)	90,464	(734,955)
	<u>(751,554)</u>	<u>59,692</u>	<u>(691,862)</u>

30. 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.

31. Capital commitments

	Group 2025	Group 2024	Company 2025	Company 2024
	£	£	£	£
<i>Contracted for but not provided in these financial statements</i>				
Acquisition of tangible fixed assets	<u>24,189</u>	<u>13,929</u>	<u>24,189</u>	<u>13,929</u>

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32. Operating lease commitments

At 31 March 2025 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group	Company	Company
	2025	2024	2025	2024
	£	£	£	£
Not later than 1 year	35,507	34,466	5,843	5,325
Later than 1 year and not later than 5 years	23,371	10,147	23,371	9,313
Later than 5 years	18,002	17,559	18,002	17,559
	76,880	62,172	47,216	32,197

Lease payments recognised as an expense in the statement of financial activities were £34,874 (2024: £34,583).

33. Related party transactions

During 2013 the Duke of Devonshire, the President of the charity, made a loan to the charity of £35,000, £10,000 remained payable as at 31 March 2025 and 2024. The loan is interest free.

The company has a wholly owned subsidiary, Cromford Mill Limited, as detailed in note 34.

During the year, The Arkwright Society Limited charged the subsidiary rent and service charges of £65,924 (2024: £77,777) labour recharges of £35,712 (2024: £35,712) management and administration fees of £57,600 (2024: £nil). During the year the subsidiary made sales of £nil (2024: £nil) to The Arkwright Society Limited and purchases from The Arkwright Society Limited of £159,236 (2024: £171,089).

During the year H Bishop, a Trustee, used the charity's shop to sell some goods to the value of £nil (2024: £30). The income was received by the charity and then passed on to the Trustee.

During the year, one family member of key management personnel worked within the subsidiary company's cafe and received remuneration from this of £5,484.

During the year J Rivers, a Trustee donated £52,000 (2024: £54,500) to the charity to cover wage costs and other general costs, this donation was unrestricted.

At 31 March 2025, the charity owed £87,106 to the subsidiary (2024: £46,928).

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34. 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	2025	2024
	£	£
Cromford Mills Limited		
Income	819,757	749,916
Expenditure	(705,609)	(727,442)
Profit for the year	114,148	22,474
Total assets	214,485	175,557
Total liabilities	(111,033)	(156,979)
Net assets	103,452	18,578