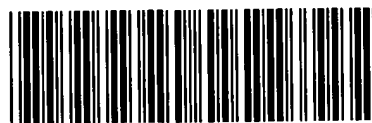


Registered number: 1630237

Charity number: 515526

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

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THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020

| | |
|----------------------------------|---|
| Trustees | D H Williams, Chair J Burgess (resigned 27 November 2019) H M Redmond Dr S Rawlinson M Atkinson G Pickup G Lewins Dr R Gaunt W J Tracey E E Pope |
| Company registered number | 1630237 |
| Charity registered number | 515526 |
| Registered office | Cromford Mill Cromford Matlock Derbyshire DE4 3RQ |
| President | The Duke of Devonshire KCVO CBE DL |
| Independent auditor | BHP LLP Chartered Accountants 2 Rutland Park Sheffield South Yorkshire S10 2PD |
| Bankers | Lloyds TSB plc Compton Ashbourne Derbyshire DE6 1DY |
| Solicitors | Geldards LLP Number One Price Place Pride Park Derby DE24 8QR |
| Architect | James Boon Architects Cromford Creative Cromford Mills Mill Lane Derbyshire DE4 3RQ |

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

Chairman's Message

The past 18 months have been unlike any the Arkwright Society has experienced in its history. It has been concerning, challenging, and unsettling as the organisation has had to adapt very rapidly, to a changing environment brought on by the COVID 19 pandemic. Ultimately despite all the challenges, the Society has managed to weather a challenging year and is now in a far better financial position than could possibly have been hoped for at the start of the 2020/21 financial year.

The 2019/20 financial year shows mixed results, largely influenced by external factors. From a steady encouraging start to the year, to a summer season that was very stop start, to a post-Christmas period that culminated in floods and the COVID pandemic; 2019/20 certainly tested the management team, trustees, staff and volunteers resilience to an unprecedented level. *I am pleased to be able to report how well everyone in the organisation has supported and adapted, enabling us to battle through and emerge stronger than before.*

The 2019/ 20 results show that the charity performed in line with expectations and would probably have exceeded them, had it not been impacted by the Corona virus in the final quarter of the year.

The demand for office space and retail units remained buoyant and occupancy rates were strong all year. Visitor numbers and income growth in other areas was harder to achieve, but progress has been made that will enable the Society to move forward more positively, once stable trading conditions return.

The trading arm Cromford Mill Ltd., did find the trading environment tougher than hoped, hindered by the loss of the catering manager just before the start of the 2019 summer season, leaving the team short-handed and a new management team only fully in place late in the season. Sales fell back slightly, and cost control was not as tight as the previous year, giving a disappointing year end result after the previous year's encouraging progress.

Plans for the final quarter of the financial year and the start of the new have been severely impacted by the Corona virus pandemic, but the management team moved swiftly to take advantage of funding provided by government and other support agencies and have secured just over £1m of grant funding for the Society post year end. This means the organisation can now plan positively for 2021.

D H Williams

D H Williams (Feb 5, 2021 11:07 GMT)

David Williams

Date: Feb 5, 2021

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their annual report together with the audited financial statements of the group for the year ended 31 March 2020. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual 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).

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

Objectives and activities

a. Policies and objectives

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

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

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

b. Activities undertaken to achieve objectives

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Objectives and activities (continued)

c. Volunteers

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

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

The Arkwright Society's volunteer policy is to

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

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

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

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

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

THE ARKWRIGHT SOCIETY LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance

a. Key performance indicators

Notes 4 to 8 detail income which totals £1,354k (2019: £1,366k). Within these:

- Income from other trading activities decreased by £41k to £592k (2019: £633k).
- Income from charitable activities increased by £61k to £504k (2019: £443k).
- Other incoming resources totalled £80k (2019: £55k).
- Income from donations and legacies decreased by £57k to £177k (2019: £234k) as the restricted Building 17 funding for the capital project comes to an end.

Notes 9 and 10 detail costs of raising funds and charitable activities which total £1,534k (2019: £1,467k). Within these:

- Governance costs total £14,815 (2019: £12,701).

Net expenditure for the year totalled £180k, an increase of £78k over the previous year's net expenditure of £102k.

The overall result on unrestricted funds was net expenditure of £86k in 2020 compared to net expenditure of £40k in 2019.

At the year-end reserves consisted of restricted funds of £4,768k and £183k in unrestricted funds.

Achievements and performance (continued)

b. Review of activities

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

The updating of the Masterplan and the next stages in planning for the development of Building 1 had been progressing well but have stalled due to the challenge of navigating a way through the Corona virus pandemic and the loss of vital revenue. However, with the grant funding that has been secured the Trustees and management team are hopeful that plans should be back on track early in 2021.

Property & Site Operations

Demand for office and retail space remained strong on site despite the general economic uncertainty in the wider economy. Revenue increased positively again with occupancy rates being well over 90% for most of the year. The new virtual office service has continued to grow and with a number of post COVID enquiries. It has been identified as a real area for growth over the coming months, with many people wanting the flexibility of working from home but a professional front of house offer and serviced office facility as and when required.

The Building 17 project was nominated as a national finalist for the Best Re-Generation Project in the UK at the RICS awards.

Heritage, Visitors & Volunteering

The growth in admissions revenue continued despite the difficult trading environment and the new pricing policy would have had greater impact had it not been for the challenging final quarter of the year.

Post year end the Visitor Centre and the Tour offer has had to be adapted to meet new government guidelines and ensure the safety of staff, volunteers, and the public. This has meant that guided tours are limited to smaller groups, large group bookings have not been possible, and the Visitor centre has had to remain closed for the time being. A full re-opening of all visitor facilities will be reviewed as and when possible.

Education and Learning

It has been good to see some growth in Educational revenue although further growth is still required to ensure it becomes a self-sustaining part of the charity. Growth in school visits over the past 2 years has meant that objective is a realistic target. This aim is most likely to be achieved once current restrictions are eased and schools can travel more freely..

Conferencing & Events

Conferencing and events has seen growth in revenue this year due to the growth in the number and quality of events undertaken this year. The Resilient Heritage Project has impacted positively on this area of the business and better focus and planning has seen new markets, theatre productions and family activities positively encouraging engagement with the Cromford Mill site.

Over recent months events and markets have been tailored to meet the COVID safe standards and have gone ahead, with good visitor numbers for the post lockdown theatre performances and markets reflecting a pent-up demand from the public.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance (continued)

Membership

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

Cromford Mill Ltd

The Arkwright Society's trading arm had a difficult year during 2019 /20 with disruption due to management changes in the catering team and visitor spend cautious in the light of Brexit uncertainty and COVID disruption.

Income fell in the cafes and the retail outlets particularly over the final quarter of the year. Costs showed a marked increase due to utility price increases and increases in the living wage rate. This meant that the improvements seen in the previous financial year were lost. However, with a new catering manager now in place and settled, plus several new initiatives underway, we are confident that future growth and a return to profitable operation is not far away.

c. Fundraising activities and income generation

Fundraising through donations and legacies fell back this year but work through the Resilient Heritage project to focus on new fundraising opportunities and a more proactive policy have already started and will continue over the coming year.

Financial review

a. Going concern

The group's loss for the year was £180,160 compared to £101,570 in 2018/19, mainly because of lost income in the final quarter of the year due to Corona virus disruption.

Tougher trading for Cromford Mill Ltd, and increased overhead costs, particularly in relation to utilities and staffing impacted on profitability in a challenging environment.

Trustees and Management are confident despite these losses that the Charity can survive and thrive over the coming years, once a more stable environment is in place.

Funding secured post year end via DCMS Culture Recovery Fund, Heritage Lottery Fund, Historic England and local and national government support has meant that despite the closure and challenging trading conditions the Society has the necessary financial measure in place to support it going forward.

Funders' understanding and support over these challenging times has been greatly appreciated and the support given from all sources has confirmed Cromford Mill and the Arkwright Society as a site and organisation recognised as being of national importance and a key location in the Derwent Valley Mills World Heritage site.

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

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

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

b. Reserves policy

The Trustees have considered the reserves held by the Arkwright Society as of 31 March 2020. 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 £4,951k (2019: £5,131k) of which £183k (2019: £269k) were unrestricted funds. The unrestricted reserves are £183k but as shown in the accounts the unrestricted reserves already invested in the tangible fixed assets are in excess of this figure. Accordingly, the free reserves of the charity, being those reserves available to the Trustees for future commitment can be seen to negative. Net current assets are £6,519 represented by restricted funds of £305,982 and therefore there are net current liabilities relating to unrestricted funds of £299,463. This recognises that the mill site was originally acquired with long term loans that are still being repaid. It is the Trustees long term aim to establish free reserves sufficient to enable a sustainable operation of the mill but until the restoration of the site is complete, that level cannot be quantified.

c. Principal risks and uncertainties

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

Structure, governance and management

a. Constitution

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

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

b. Methods of appointment or election of Trustees

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

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

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

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

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

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

d. Policies adopted for the induction and training of Trustees

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

e. Pay policy for key management personnel

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

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

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

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

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

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

Structure, governance and management (continued)

f. Financial risk management

The trustees have a risk management strategy which comprises:

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

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

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

g. Internal control

The Trustees have overall responsibility for ensuring that the charity has an appropriate system of financial management and other necessary controls. They are also responsible for safeguarding the assets of the charity and to this end must ensure that reasonable steps are taken for the prevention and detection of fraud and any other irregularities. The Trustees accept that it is their responsibility to ensure that proper records are maintained, and accurate financial information is collected and retained and that the charity complies with the relevant laws and regulations. The charity's Trustees recognise that whatever system is in place must be seen as managing rather than eliminating the risk of failure to achieve the charity's objectives and can only provide reasonable rather than absolute reassurance in these matters.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Plans for future periods

Future developments

The Society had been making steady progress to improving sustainability and the results of the last year did mean a step backwards, which has largely been driven by external factors.

With the necessary support funding having been secured, thanks to the positive response and unstinting support of many funders and individual donors, the management and Trustees are able to plan with certainty for the coming year. A review of the business priorities and the Society's Masterplan is being undertaken, ensuring that focus and energies are directed to the most vital areas of the business, in order to meet the demands of a post COVID world.

The Resilient Heritage project funded by National Lottery Heritage Fund and supported by the Architectural Heritage Fund, has helped move key projects forward once the current difficult environment has been navigated and will help strengthen the Society in the medium to long term.

The Building 1 project work has progressed but had to be put on hold during 2020, while the focus was to ensure the organisation survived the pandemic and lockdowns, and the necessary funding secured. The funding was successfully secured post year end and will enable this project to be advanced in 2021.

Other projects to improve the Society's online and digital platforms are underway, helping us find new and innovative ways to engage with our audience and develop new income streams.

We have secured funding to develop a new film for the Arkwright Experience which will tell the story of the relationship between Strutt and Arkwright, enhancing the connection and understanding of the wider Derwent Valley Mills World Heritage site.

With 2021 being a key anniversary year for the organisation an exciting and varied events programme is being planned which will encourage and engage new visitors and old, helping encourage visitors to return once again to Cromford Mills.

Information on fundraising practices

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

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

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

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

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the 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 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

In so far as the Trustees are aware:

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

Auditor

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

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

D H Williams

D H Williams (Feb 5, 2021 11:07 GMT)

D H Williams

Date: Feb 5, 2021

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES 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 2020 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 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 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in note 2.2 in the financial statements, concerning the Group's ability to continue as a going concern. The group incurred a deficit of £180,160 during the year to 31 March 2020 and, at that date, the group held negative free reserves of £299,463. These conditions, along with the other matters as set forth in the note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The financial statements do not include adjustments that would result if the group was unable to continue as a going concern.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

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

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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


A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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, and to the charitable company's trustees, as a body, as a body in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

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



Jane Marshall (Feb 5, 2021 11:38 GMT)

Jane Marshall (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants

Statutory Auditors

2 Rutland Park

Sheffield

South Yorkshire

S10 2PD

Date: Feb 5, 2021

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020

| | Note | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|------------------------------------|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Donations and legacies | 4 | 17,261 | 159,601 | 176,862 | 234,240 |
| Charitable activities | 5 | 500,754 | 3,521 | 504,275 | 442,878 |
| Other trading activities | 6 | 591,958 | - | 591,958 | 633,126 |
| Investments | 7 | 82 | 96 | 178 | 231 |
| Other income | 8 | 80,317 | - | 80,317 | 55,081 |
| Total income | | 1,190,372 | 163,218 | 1,353,590 | 1,365,556 |
| Expenditure on: | | | | | |
| Raising funds | 9 | 572,814 | - | 572,814 | 529,579 |
| Charitable activities | 10 | 713,236 | 247,700 | 960,936 | 937,547 |
| Total expenditure | | 1,286,050 | 247,700 | 1,533,750 | 1,467,126 |
| Net expenditure | | (95,678) | (84,482) | (180,160) | (101,570) |
| Transfers between funds | 25 | 9,622 | (9,622) | - | - |
| Net movement in funds | | (86,056) | (94,104) | (180,160) | (101,570) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 269,213 | 4,861,817 | 5,131,030 | 5,232,600 |
| Net movement in funds | | (86,056) | (94,104) | (180,160) | (101,570) |
| Total funds carried forward | | 183,157 | 4,767,713 | 4,950,870 | 5,131,030 |

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

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 1630237

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2020

| | Note | 2020 £ | 2019 £ |
|--|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 17 | 757,567 | 801,417 |
| Heritage assets | 18 | 5,384,386 | 5,472,629 |
| | | 6,141,953 | 6,274,046 |
| Current assets | | | |
| Stocks | 20 | 38,385 | 40,184 |
| Debtors | 21 | 48,914 | 65,072 |
| Cash at bank and in hand | | 183,033 | 197,788 |
| | | 270,332 | 303,044 |
| Creditors: amounts falling due within one year | 22 | (263,813) | (266,868) |
| Net current assets | | 6,519 | 36,176 |
| Total assets less current liabilities | | 6,148,472 | 6,310,222 |
| Creditors: amounts falling due after more than one year | 23 | (1,166,236) | (1,145,603) |
| Accruals and deferred income | | (31,366) | (33,589) |
| Total net assets | | 4,950,870 | 5,131,030 |
| Charity funds | | | |
| Restricted funds (includes revaluation reserve of £24,901 (2019: £24,901)) | 25 | 4,767,713 | 4,861,817 |
| Unrestricted funds (includes revaluation reserve of £792,867 (2019: £792,867)) | 25 | 183,157 | 269,213 |
| Total funds | | 4,950,870 | 5,131,030 |

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 1630237

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

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:

D H Williams

D H Williams (Feb 5, 2021 11:07 GMT)

D H Williams

Date: Feb 5, 2021

The notes on pages 23 to 50 form part of these financial statements.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 1630237

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

| | Note | 2020 £ | 2019 £ |
|--|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 17 | 631,915 | 666,710 |
| Heritage assets | 18 | 5,384,386 | 5,472,629 |
| Investments | 19 | 2 | 2 |
| | | 6,016,303 | 6,139,341 |
| Current assets | | | |
| Stocks | 20 | - | 3,540 |
| Debtors | 21 | 48,459 | 64,741 |
| Cash at bank and in hand | | 171,294 | 186,350 |
| | | 219,753 | 254,631 |
| Creditors: amounts falling due within one year | 22 | (219,739) | (217,072) |
| Net current (liabilities) / assets | | 14 | 37,559 |
| Total assets less current liabilities | | 6,016,317 | 6,176,900 |
| Creditors: amounts falling due after more than one year | 23 | (1,053,886) | (1,033,253) |
| Total net assets | | 4,962,431 | 5,143,647 |
| Charity funds | | | |
| Restricted funds (includes revaluation reserve of £24,901 (2019: £24,901)) | 25 | 4,767,713 | 4,861,817 |
| Unrestricted funds (includes revaluation reserve of £792,867 (2019: £792,867)) | 25 | 194,718 | 281,830 |
| Total funds | | 4,962,431 | 5,143,647 |

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2020

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:

D H Williams

D H Williams (Feb 5, 2021 11:07 GMT)

D H Williams

Date: **Feb 5, 2021**

The notes on pages 23 to 50 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 2020

| | Note | 2020 £ | 2019 £ |
|--|-------------|-------------------|-------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 28 | 16,910 | 121,956 |
| Cash flows from investing activities | | | |
| Interest received | | 178 | 231 |
| Proceeds from the sale of tangible fixed assets | | 40,187 | - |
| Purchase of tangible fixed assets | | (18,362) | (5,025) |
| Net cash provided by/(used in) investing activities | | 22,003 | (4,794) |
| Cash flows from financing activities | | | |
| Cash inflows from new borrowing | | - | 250,000 |
| Repayments of borrowing | | (23,391) | (12,445) |
| Interest paid | | (44,024) | (24,110) |
| Net cash (used in)/provided by financing activities | | (67,415) | 213,445 |
| Change in cash and cash equivalents in the year | | (28,502) | 330,607 |
| Cash and cash equivalents at the beginning of the year | | 181,615 | (148,992) |
| Cash and cash equivalents at the end of the year | 29 | 153,113 | 181,615 |

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (issued in October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Arkwright Society Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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

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

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

The income and expenditure account for the year dealt with in the accounts of the company was a deficit of £181,216. (2019: £124,265)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.2 *Going concern*

The group's loss for the year of £180,160 is largely due to a loss of income in the final quarter of the year due to Corona virus disruption. In addition, the group have net current assets of £6,519. Tougher trading for Cromford Mill Ltd, and increased overhead costs, particularly in relation to utilities and staffing impacted on profitability in a challenging environment.

Funding secured post year end via DCMS Culture Recovery Fund, Heritage Lottery Fund, Historic England and local and national government support has meant that despite the closure and challenging trading conditions the Society has the necessary financial measure in place to support it going forward. The group continues to engage closely with its lenders to assess when the group's performance is sufficiently improved to restart capital repayments on its loans, with capital repayment holidays agreed on the Lloyds loans until July 2021.

The trustees have prepared forecasts of income and expenditure and cash flow for a period of 12 months from approval of these financial statements which show that they will be able to operate within the facilities available to them. Therefore, the trustees believe that it is appropriate to prepare the accounts on a going concern basis. The financial statements do not include the adjustments that might be required should this not be the case.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.3 Income

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

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

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

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

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

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

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

2.4 Expenditure

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.4 Expenditure (continued)

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Taxation

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

2.7 Tangible fixed assets and depreciation

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

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

Depreciation is provided on the following bases:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.8 Heritage assets

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

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

Depreciation is provided on the following basis:

| | |
|-------------------------------|--------------------------|
| Heritage asset - held at cost | - 50 years straight line |
|-------------------------------|--------------------------|

2.9 Investments

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

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

2.10 Stocks

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

2.11 Debtors

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

2.12 Cash at bank and in hand

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.13 Liabilities and provisions

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

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

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

2.14 Financial instruments

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

2.15 Operating leases

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

2.16 Fund accounting

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Parent Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2.17 Employee benefits

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

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

4. Income from donations and legacies

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations and gifts received | 17,257 | 20,849 | 38,106 | 121,488 |
| Grants receivable | 4 | 138,752 | 138,756 | 112,752 |
| | <u>17,261</u> | <u>159,601</u> | <u>176,862</u> | <u>234,240</u> |
| Total 2019 | <u>15,198</u> | <u>219,042</u> | <u>234,240</u> | |

5. Income from charitable activities

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Property services | 364,583 | 536 | 365,119 | 304,659 |
| Visitor services | 52,031 | 2,985 | 55,016 | 44,733 |
| Education and tours | 84,140 | - | 84,140 | 93,486 |
| Total 2020 | <u>500,754</u> | <u>3,521</u> | <u>504,275</u> | <u>442,878</u> |
| Total 2019 | <u>437,736</u> | <u>5,142</u> | <u>442,878</u> | |

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

6. Income from other trading activities

Income from non charitable trading activities

| | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|-----------------------------|------------------------------------|-----------------------------|-----------------------------|
| Fundraising events | 5,743 | 5,743 | 5,723 |
| Cromford Mill Limited sales | 586,215 | 586,215 | 627,403 |
| | <u>591,958</u> | <u>591,958</u> | <u>633,126</u> |
| Total 2019 | <u>633,126</u> | <u>633,126</u> | |

7. Investment income

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|--------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Bank interest receivable | 82 | 96 | 178 | 231 |
| | <u>143</u> | <u>88</u> | <u>231</u> | |
| Total 2019 | <u>143</u> | <u>88</u> | <u>231</u> | |

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

8. Other incoming resources

| | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|------------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Car Park income | 58,130 | 58,130 | 55,081 |
| Profit on disposal of fixed assets | 22,187 | 22,187 | - |
| | <u>80,317</u> | <u>80,317</u> | <u>55,081</u> |
| Total 2019 | <u>55,081</u> | <u>55,081</u> | |

9. Expenditure on raising funds

Direct Costs

| | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|------------------------------------|-----------------------------|-----------------------------|
| Cromford Mill Limited- other costs | 291,788 | 291,788 | 280,779 |
| Cromford Mill Limited- wages and salaries | 264,378 | 264,378 | 237,547 |
| Cromford Mill Limited- NI | 11,659 | 11,659 | 8,682 |
| Cromford Mill Limited - pension costs | 4,989 | 4,989 | 2,571 |
| | <u>572,814</u> | <u>572,814</u> | <u>529,579</u> |
| Total 2019 | <u>529,579</u> | <u>529,579</u> | |

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Visitors services | 149,078 | 33,869 | 182,947 | 210,483 |
| Property services | 276,804 | 40,039 | 316,843 | 294,825 |
| Conservation and building services | - | 33,827 | 33,827 | 40,268 |
| Heritage site management | 208,828 | 31,670 | 240,498 | 187,511 |
| Building 17 | 63,711 | 108,295 | 172,006 | 191,759 |
| Governance (note 13) | 14,815 | - | 14,815 | 12,701 |
| | <u>713,236</u> | <u>247,700</u> | <u>960,936</u> | <u>937,547</u> |
| Total 2019 | <u>651,539</u> | <u>286,008</u> | <u>937,547</u> | |

11. Analysis of expenditure by activities

| | Activities undertaken directly 2020 £ | Support costs 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|------------------------------------|---|----------------------------|-----------------------------|-----------------------------|
| Visitors services | 182,947 | - | 182,947 | 210,483 |
| Property services | 316,843 | - | 316,843 | 294,825 |
| Conservation and building services | 33,827 | - | 33,827 | 40,268 |
| Heritage site management | 240,498 | - | 240,498 | 187,511 |
| Building 17 | 172,006 | - | 172,006 | 191,759 |
| Governance (note 13) | - | 14,815 | 14,815 | 12,701 |
| | <u>946,121</u> | <u>14,815</u> | <u>960,936</u> | <u>937,547</u> |
| Total 2019 | <u>924,846</u> | <u>12,701</u> | <u>937,547</u> | |

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Total funds 2020 £ |
|----------------------------|---------------------------------------|
| Governance costs (note 13) | 14,815 |

12. Net income/(expenditure)

This is stated after charging:

| | 2020 £ | 2019 £ |
|--|-------------------|-------------------|
| Depreciation of tangible fixed assets owned by the group | 44,812 | 46,832 |
| Depreciation of heritage asset | 88,243 | 88,298 |
| | 133,055 | 135,130 |

13. Governance costs

| | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|------------------------|--|---------------------------------------|---------------------------------------|
| Auditor's remuneration | 8,900 | 8,900 | 9,186 |
| Accounting services | 5,915 | 5,915 | 3,000 |
| Taxation services | - | - | 515 |
| | 14,815 | 14,815 | 12,701 |
| Total 2019 | 12,701 | 12,701 | |

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. Auditor's remuneration

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Fees payable to the company's auditor for the audit of the company's annual accounts | 8,900 | 9,186 |
| Fees payable to the company's auditor in respect of: | | |
| All non-audit services not included above | 5,915 | 3,515 |

15. Staff costs

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Wages and salaries | 666,781 | 588,839 | 402,403 | 351,292 |
| Social security costs | 42,412 | 35,427 | 30,753 | 26,745 |
| Contribution to defined contribution pension schemes | 15,582 | 8,664 | 10,593 | 6,093 |
| | <u>724,775</u> | <u>632,930</u> | <u>443,749</u> | <u>384,130</u> |

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

| | Group 2020 No. | Group 2019 No. |
|------------------------------|----------------------|----------------------|
| Tourism and visitor services | 8 | 5 |
| Site maintenance | 8 | 7 |
| Catering and retail | 37 | 30 |
| Administration and support | 5 | 6 |
| | <u>58</u> | <u>48</u> |

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

15. Staff costs (continued)

The average headcount expressed as full-time equivalents was:

| | Group 2020 No. | Group 2019 No. |
|------------------------------|----------------------|----------------------|
| Tourism and visitor services | 5 | 5 |
| Site maintenance | 7 | 6 |
| Catering and retail | 16 | 16 |
| Administration and support | 5 | 5 |
| | <u>33</u> | <u>32</u> |

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

The total amount of employee benefits received by key management personnel including Employers National Insurance and Pension Contributions is £179,198 (2019: £177,735). The Trustees considers its key management personnel comprise the Chief Executive Officer, Chief Finance Officer, Operations Director and Head of Heritage.

16. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 March 2020, no Trustee expenses have been incurred (2019 - £NIL).

17. Tangible fixed assets

Group

| | Freehold property valuation £ | Leasehold property valuation £ | Cromford Wheatcroft cost £ | Fixtures and fittings cost £ | Total £ |
|--------------------------|--|---|-------------------------------------|---------------------------------------|------------------|
| Cost or valuation | | | | | |
| At 1 April 2019 | 174,333 | 385,000 | 153,495 | 326,900 | 1,039,728 |
| Additions | - | - | - | 19,362 | 19,362 |
| Disposals | (18,000) | - | - | (1,000) | (19,000) |
| At 31 March 2020 | <u>156,333</u> | <u>385,000</u> | <u>153,495</u> | <u>345,262</u> | <u>1,040,090</u> |

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17. Tangible fixed assets (continued)

Group (continued)

| | Freehold property valuation £ | Leasehold property valuation £ | Cromford Wheatcroft cost £ | Fixtures and fittings cost £ | Total £ |
|-----------------------|--|---|-------------------------------------|---------------------------------------|------------|
| Depreciation | | | | | |
| At 1 April 2019 | - | - | 28,804 | 209,507 | 238,311 |
| Charge for the year | - | - | 7,673 | 37,139 | 44,812 |
| On disposals | - | - | - | (600) | (600) |
| At 31 March 2020 | - | - | 36,477 | 246,046 | 282,523 |
| Net book value | | | | | |
| At 31 March 2020 | 156,333 | 385,000 | 117,018 | 99,216 | 757,567 |
| At 31 March 2019 | 174,333 | 385,000 | 124,691 | 117,393 | 801,417 |

Company

| | Freehold property valuation £ | Leasehold property valuation £ | Fixtures and fittings cost £ | Total £ |
|--------------------------|--|---|---------------------------------------|------------|
| Cost or valuation | | | | |
| At 1 April 2019 | 174,333 | 385,000 | 305,032 | 864,365 |
| Additions | - | - | 18,953 | 18,953 |
| Disposals | (18,000) | - | (1,000) | (19,000) |
| At 31 March 2020 | 156,333 | 385,000 | 322,985 | 864,318 |
| Depreciation | | | | |
| At 1 April 2019 | - | - | 197,655 | 197,655 |
| Charge for the year | - | - | 35,348 | 35,348 |
| On disposals | - | - | (600) | (600) |
| At 31 March 2020 | - | - | 232,403 | 232,403 |

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17. Tangible fixed assets (continued)

Company (continued)

| | Freehold property valuation £ | Leasehold property valuation £ | Fixtures and fittings cost £ | Total £ |
|-----------------------|--|---|---------------------------------------|----------------|
| Net book value | | | | |
| At 31 March 2020 | <u>156,333</u> | <u>385,000</u> | <u>90,582</u> | <u>631,915</u> |
| At 31 March 2019 | <u>174,333</u> | <u>385,000</u> | <u>107,377</u> | <u>666,710</u> |

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

| | Group 2020 £ | Group 2019 £ |
|------------------------------|--------------------|--------------------|
| Freehold property | 135,500 | 153,500 |
| Long-term leasehold property | 197,599 | 197,599 |
| | <u>333,099</u> | <u>351,099</u> |

Freehold property consists of Grace Cottage, Cromford Lock up, Land at Slinter Cottage, Lumsdale Fishponds, Dunsley Meadows and the car park. Within the year, part of the land at Slinter Cottage with a carrying value and historic cost of £18,000 was sold.

Leasehold property consists of Cromford Wharf and Cromford Station. The freehold and leasehold property are included at valuations provided by J Alexander FRICS in December 2011. The trustees confirm in their opinion the market value as at 31 March 2020 remains comparable.

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NOTES TO THE FINANCIAL STATEMENTS
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18. Heritage assets

Group and Company

Assets recognised at cost

| | Assets held at cost 2020 £ | Assets held at valuation 2020 £ | Total 2020 £ |
|--------------------------------|---|--|-----------------------------|
| Carrying value at 1 April 2019 | 4,148,095 | 1,324,534 | 5,472,629 |
| Depreciation | (88,243) | - | (88,243) |
| | <u>4,059,852</u> | <u>1,324,534</u> | <u>5,384,386</u> |

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

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FOR THE YEAR ENDED 31 MARCH 2020

18. Heritage assets (continued)

Analysis of heritage asset transactions

Group and Company

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|
| | £ | £ | £ | £ | £ |
| Purchases | | | | | |
| Heritage assets - at cost | - | 1,392 | 37,711 | 119,930 | 1,728,905 |
| Total additions | - | 1,392 | 37,711 | 119,930 | 1,728,905 |
| Charge for depreciation | | | | | |
| Heritage assets - at cost | (88,243) | (88,298) | (88,236) | (87,482) | - |
| Total charge for impairment | (88,243) | (88,298) | (88,236) | (87,482) | - |
| Disposals | | | | | |
| Heritage assets - at valuation | - | - | (1,087) | (100,000) | (256,000) |
| Total disposals | - | - | (1,087) | (100,000) | (256,000) |

Heritage assets comprise the Industrial buildings at Cromford Mill including Building 17 which completed its renovation during the prior year. The oldest buildings date back to the second half of the 18th century.

Some heritage assets were subject to an independent, professional valuation at December 2014. The valuation was undertaken by Sanderson Weatherall on an open market value.

The trustees have had due regard to a property valuation prepared by Sanderson Weatherall LLP in December 2014 and confirm on this basis that in their opinion the market value as at 31 March 2020 remains comparable.

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NOTES TO THE FINANCIAL STATEMENTS
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19. Fixed asset investments

| <i>company</i> | Investments in subsidiary companies £ |
|--------------------------|--|
| Cost or valuation | |
| At 1 April 2019 | 2 |
| At 31 March 2020 | 2 |
| Net book value | |
| At 31 March 2020 | 2 |
| At 31 March 2019 | 2 |

The investment comprises 100% of the share capital of Cromford Mill Limited, the charity's trading subsidiary. The aggregate capital and reserves of that company at 31 March 2020 were £(11,560) (2019: £(12,616)) and its results for the year was a profit of £1,056.

During the year the charity received rent of £28,000, (2019: £28,000) management charges of £12,600 (2019: £57,600) and loan interest of £539 (2019: £539) from Cromford Mill Limited. Other sales made to Cromford Mill Limited were £17,351 (2019: £19,205). Purchases from Cromford Mill Limited totalled £35,091 (2019: £35,571).

At 31 March 2020, £52,722 (2019: £28,960) was owed to Cromford Mill Limited within includes a loan repayable on demand, with interest calculated at bank base rate plus 2%. The loan is secured over the stock held by Cromford Mill Limited.

20. Stocks

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|--------|--------------------|--------------------|----------------------|----------------------|
| Stocks | 38,385 | 40,184 | - | 3,540 |

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NOTES TO THE FINANCIAL STATEMENTS
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21. Debtors

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|--------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade debtors | 2,301 | 16,486 | 2,301 | 16,486 |
| Other debtors | 345 | 16,488 | - | 16,488 |
| Prepayments and accrued income | 46,268 | 32,098 | 46,158 | 31,767 |
| | 48,914 | 65,072 | 48,459 | 64,741 |

22. Creditors: Amounts falling due within one year

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank overdrafts | 29,920 | 16,173 | - | - |
| Trade creditors | 76,924 | 110,748 | 56,607 | 84,658 |
| Amounts owed to group undertakings | - | - | 52,722 | 28,960 |
| Other taxation and social security | 53,661 | 45,255 | 23,518 | 27,732 |
| Other creditors | 52,095 | 36,095 | 49,925 | 35,359 |
| Accruals and deferred income | 51,213 | 58,597 | 36,967 | 40,363 |
| | 263,813 | 266,868 | 219,739 | 217,072 |

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

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loans | 657,093 | 656,467 | 544,743 | 544,117 |
| Architectural Heritage Fund loan re Building 17 | 509,143 | 489,136 | 509,143 | 489,136 |
| | 1,166,236 | 1,145,603 | 1,053,886 | 1,033,253 |

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

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|--------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Repayable by instalments | 740,525 | 752,311 | 740,525 | 701,055 |
| | 740,525 | 752,311 | 740,525 | 701,055 |

The bank loans and overdrafts totalling £544,743 (2019: £544,117) are secured on assets of the charity as follows:-

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

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

- An unlimited debenture dated 19/12/2001 incorporating a fixed and floating charges over the assets of the society.
- An unlimited debenture dated 16/02/2018 incorporating a fixed and floating charges over the assets of the society.

24. Accruals and deferred income

| | Group 2020 £ | Group 2019 £ |
|--------|--------------------|--------------------|
| Grants | 31,366 | 33,589 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

25. Statement of funds

Statement of funds - current year

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

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25. Statement of funds (continued)

Statement of funds - prior year

| | Balance at 1 April 2018 £ | Income £ | Expenditure £ | Balance at 31 March 2019 £ |
|--|---------------------------------|------------------|--------------------|-------------------------------------|
| Unrestricted funds | | | | |
| General Funds - charity | 344,358 | 494,797 | (557,326) | 281,829 |
| General Funds - subsidiary | (35,311) | 646,487 | (623,792) | (12,616) |
| | <u>309,047</u> | <u>1,141,284</u> | <u>(1,181,118)</u> | <u>269,213</u> |
| Restricted funds | | | | |
| Building 17 development & project fund | 4,648,809 | 110,092 | (191,159) | 4,567,742 |
| Lumsdale project | 37,096 | 3,264 | (40,268) | 92 |
| Cromford Station | 139,438 | - | - | 139,438 |
| Dunsley Meadows | 55,303 | 989 | (175) | 56,117 |
| Slinter Lane | 30,000 | - | - | 30,000 |
| Cromford hydro scheme | 2,007 | - | - | 2,007 |
| Sundry projects | 428 | 3,658 | (3,062) | 1,024 |
| Strutt Film (Aim Biffa) | - | 6,739 | (6,739) | - |
| Arkwright's books and artefacts | 4,008 | - | - | 4,008 |
| Slinter Woodland project | 2,371 | - | (119) | 2,252 |
| Guide resources fund | 979 | 834 | (372) | 1,441 |
| Education materials | 3,114 | - | - | 3,114 |
| Resilience fund | - | 91,600 | (43,995) | 47,605 |
| Marquee fund | - | 7,096 | (119) | 6,977 |
| | <u>4,923,553</u> | <u>224,272</u> | <u>(286,008)</u> | <u>4,861,817</u> |
| Total of funds | <u>5,232,600</u> | <u>1,365,556</u> | <u>(1,467,126)</u> | <u>5,131,030</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

25. Statement of funds (continued)

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

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

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

Cromford Station is now completely refurbished and tenants in situ.

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

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

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

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

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

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

The Marquee fund is in relation to the society fundraising to purchase a replacement marquee that will generate more income for the site.

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

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

The Jo Fairfax Fund represents donations towards an art installation.

A transfer was made during the year from restricted to unrestricted funds in relation to the marquee purchased which has been capitalised.

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26. Summary of funds

Summary of funds - current year

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

Summary of funds - prior year

| | Balance at 1 April 2018 £ | Income £ | Expenditure £ | Balance at 31 March 2019 £ |
|------------------|---------------------------------|------------------|--------------------|-------------------------------------|
| General funds | 309,047 | 1,141,284 | (1,181,118) | 269,213 |
| Restricted funds | 4,923,553 | 224,272 | (286,008) | 4,861,817 |
| | <u>5,232,600</u> | <u>1,365,556</u> | <u>(1,467,126)</u> | <u>5,131,030</u> |

27. Analysis of net assets between funds

Analysis of net assets between funds - current period

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

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27. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ |
|--|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 503,780 | 297,637 | 801,417 |
| Heritage assets | 1,324,535 | 4,148,094 | 5,472,629 |
| Current assets | (602,178) | 905,222 | 303,044 |
| Creditors due within one year | (266,868) | - | (266,868) |
| Creditors due in more than one year | (656,467) | (489,136) | (1,145,603) |
| Provisions for liabilities and charges | (33,589) | - | (33,589) |
| Total | 269,213 | 4,861,817 | 5,131,030 |

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

| | Group 2020 £ | Group 2019 £ |
|---|--------------------|--------------------|
| Net expenditure for the period (as per Statement of Financial Activities) | (180,160) | (101,570) |
| Adjustments for: | | |
| Depreciation charges | 133,055 | 135,130 |
| Amortisation of government grant | (2,223) | (2,067) |
| Interest received | (178) | (231) |
| Interest paid | 44,024 | 24,110 |
| Loss/(profit) on the sale of fixed assets | (22,787) | - |
| Decrease in stocks | 1,799 | 7,520 |
| Decrease in debtors | 16,158 | 38,268 |
| Increase in creditors | 27,222 | 20,796 |
| Net cash provided by operating activities | 16,910 | 121,956 |

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29. Analysis of cash and cash equivalents

| | Group 2020 £ | Group 2019 £ |
|--|-----------------------------|-----------------------------|
| Cash in hand | 183,033 | 197,788 |
| Overdraft facility repayable on demand | (29,920) | (16,173) |
| Total cash and cash equivalents | 153,113 | 181,615 |

30. Analysis of changes in net debt

| | At 1 April 2019 £ | Cash flows £ | At 31 March 2020 £ |
|-------------------------------------|----------------------------------|-------------------------|-----------------------------------|
| Cash at bank and in hand | 197,788 | (14,755) | 183,033 |
| Bank overdrafts repayable on demand | (16,173) | (13,747) | (29,920) |
| Debt due within 1 year | (10,000) | - | (10,000) |
| Debt due after 1 year | (1,145,603) | (20,633) | (1,166,236) |
| | (973,988) | (49,135) | (1,023,123) |

31. Contingent liabilities

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

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32. Operating lease commitments

At 31 March 2020 the Group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Not later than 1 year | 37,197 | 36,742 | 9,197 | 8,742 |
| Later than 1 year and not later than 5 years | 17,588 | 22,965 | 17,588 | 22,965 |
| | <u>54,785</u> | <u>59,707</u> | <u>26,785</u> | <u>31,707</u> |

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 2020 and 2019. The loan is interest free.

Geldards, a firm in which David Williams is a member, carried out professional services for the Charity. Amounts paid in the year were £4,513 (2019: £750). No amounts were outstanding.

David William's wife has rented office space from the Charity within the period and has paid £9,750 in rental charges. (2019: £nil)

34. Principal subsidiaries

The following was a subsidiary undertaking of the company:

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

The financial results of the subsidiary for the year were:

| Name | Income £ | Expenditure £ | Profit/(Loss)/ Surplus/ (Deficit) for the year £ | Net assets £ |
|-----------------------|-------------|------------------|--|-----------------|
| Cromford Mill Limited | 602,685 | (601,629) | 1,056 | (11,560) |