

VALE MILL TRUST

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2023

Charity number 1011002

VALE MILL TRUST

TRUSTEES ANNUAL REPORT

For the year ended 31 December 2023

The trustees are pleased to present their annual report together with financial statements of the charity for the year ended 31 December 2023.

The financial statements comply with the Charities Act 2011, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

1. Objectives and activities

To maintain the water mill and keep it open for the public benefit. To promote social inclusion via the provision of community resources and facilities. Advance arts, culture and heritage through the development and maintenance of the Path Head Watermill and its surrounding site. To advance education of the public in geography, history, ecology, architecture, conservation and traditional skills and craftsmanship. Provision of facilities and support to advance health, and help prevent and relieve sickness. Provide and promote facilities for recreation or other leisure time occupation of individuals by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances and for the public at large in the interests of social welfare and improving the condition of life for individuals. To assist in the support and care of persons suffering from mental or physical illness of any description or in need of rehabilitation.

2. Achievements and performance

The 2023 year has seen many improvements, including to the Mill structure and grounds. These have been achieved by the hard work of our dedicated volunteers, employees, and where necessary, third party experts. Their time and commitment is considerable and greatly appreciated. The trustees would like to thank all those involved in contributing to the success of the charity.

Events at the Mill continued to attract visitors and special interest groups. The Brick Swap, Big Games Day, Teddy Bears Picnic, Quiz and yoga events were very successful and well received. There were visits from photography groups, craft workshops, and creative writing and art clubs. The activities, heritage days and tearoom have greatly helped to increase footfall this year, with many return visits to the site. A survey of over 100 visitors, identified that more than 72% who visited the site had a positive impact on their health and wellbeing. The key reasons for those visiting were for food and drink 93%, heritage 58% and dog walking/ramble 49%. 67% of those surveyed were returning visitors.

Support from the National Lottery Heritage Fund enabled the employment of a volunteer co-ordinator and a water mill skilled craftsman who, with volunteer help, has refurbished the mill water wheel and completed several other projects that have improved the condition of various heritage assets. We are currently preparing a restoration/maintenance plan for the future.

The funding also enabled the trustees to work with an external consultant to look at the values and objectives of the trust, begin to prepare a two-year plan for the charity and provide governance training for the Trustees.

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Funding received from the Community Infrastructure Levy fund has been used to purchase new grounds maintenance equipment along with appropriate protective and safety equipment.

Development of the workshop continues which facilitates volunteers repairing and making resources for the Mill.

The grounds continue to be developed to diversify and improve the experiences of visitors to the site. Enhancements have been made to the accessibility to different parts of the site.

The tearoom, which opens each weekend between Easter and the end of November, continues to be very popular and provides a significant source of revenue for the charity. The kitchen and toilets were fully refurbished prior to the tearoom re-opening in April 2024.

Other projects during the year include:

The mill building has been rewired to meet current electrical installation standards. LED lighting and appropriately placed sockets installed.

To make the building watertight the roof tiles have been re-laid and the pan tiles sealed. These repairs were carried out to meet the original heritage installation.

Work has begun to restore exterior woodwork with the use of traditional linseed oil-based paints.

Funding generated from the popular Quiz events enabled the purchase of a defibrillator, and related training provided to volunteers.

The financial reporting within the charity has improved with the adoption of QuickBooks accounting software. The Trustees have received training in managing the information available through the software. To help ensure best practices are followed, the Trust has secured the services of an external independent examiner for the preparation of end of year accounts.

Working with the Trusts solicitors, the Trustees proposed changing the legal structure of the organisation to a more appropriate Charitable Incorporated Organisation (CIO) Foundation model. The new structure will provide limited liability to the Trustees. The changes were put to the membership for consultation and the proposed change was accepted by the members at a formal meeting.

3. Public benefit

The Board of Trustees has referred to the Charity Commission's guidance on public benefit when reviewing the charity's objectives and planning its future activities. This annual report will aim to demonstrate the link between our charitable activity and how this benefits our service users.

4. Financial review

Vale Mill Trust are funded by a variety of income. The total income for the year was £41,480. This income is allocated across respective funds on the Statement of Financial Activities in accordance with the Statement of Recommended Practice.

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For the year ended 31 December 2023

The Statement of Financial Activities for the year ended 31 December 2023, shows a net surplus across all funds of £5,060 (2022: £12,784).

The statement of assets and liabilities at 31 December 2023 shows total funds carried forward of £26,106 of which £16,880 are restricted funds, the unrestricted reserves are £9,226.

Reserves policy

The Board of Trustees has examined the charities requirements for reserves in light of the major risks to the organisation. The established policy is for unrestricted funds held by the charity to be set at 5 months of the expenditure plus estimated close down costs; the unrestricted fund for the year is £9,226. The reserves are needed to maintain the current activities of the charity in the event of a significant drop in funding. The reserves are also needed to cover the costs of potential redundancies.

5. Plans for future periods

The Trust will work to consolidate the progress made during the year and undertake new projects to improve the provision for beneficiaries in our locality.

Deliver the new charitable structure CIO; complete the governance training for the Trustees and prepare a two year development plan with measurable targets.

The maintenance programme for the engineering heritage will focus on the working mill gear and the waterwheel.

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TRUSTEES ANNUAL REPORT

For the year ended 31 December 2023

6. Reference and administrative details of the charity, its trustees and advisors

Charity Name	Vale Mill Trust	
Registered Charity Number	1011002	
Trustees	Simon Gideon Smith Cheryl Metcalf Neil (Mac) McDiarmid David Yellowley	Chair
Registered Office	Path Head Water Mill Summerhill Blaydon Tyne and Wear NE21 4SP	
Independent Examiner	MW Accounting, Bookkeeping and Training Woodgate House Wood Street Gateshead NE11 9NP	
Bankers	TSB PO Box 373 Leeds LS14 9GQ	

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For the year ended 31 December 2023

7. Structure, governance and management

Governing documents

Vale Mill Trust is a charitable organisation, governed by its constitution, adopted on 24th April 1992.

Appointment of Trustees

Trustees are elected by members of the organisation at the Annual General Meeting (AGM) and are eligible to stand for re-election each year. There is a minimum of three and maximum of 12 trustees at any given time. The trustees have the power to co-opt up to three other members and agree to meet at least four times a year.

Organisation

The trustees administer the charity.

The trustees are aware that the major risk to the organisation is lack of funding. Reserves are reviewed on a yearly basis to ensure that there are sufficient funds available to cover five months running costs and any possible redundancy costs.

Risk management

The trustees have conducted their own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and for ensuring the consistent quality of the delivery of all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

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TRUSTEES ANNUAL REPORT

For the year ended 31 December 2023

8. Trustees responsibilities in relation to the financial statement

The trustees are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure of the charity for the year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements that are reasonable and prudent;
- state whether applicable accounting standards 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 16/10/24 and signed on their behalf by:

Neil (Mac) McDiarmid

Neil (Mac) McDiarmid (Oct 16, 2024 13:22 GMT+1)

Neil (Mac) McDiarmid
Treasurer

VALE MILL TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 December 2023

I report on the financial statements of Vale Mill Trust for the year ended 31 December 2023, which are set out on pages 8 to 16.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair" view which is not a matter considered as part of an independent examination.

I have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Michelle Wright
MW Accounting, Bookkeeping & Training
Woodgate House
5c Wood Street
Gateshead
NE11 9NP
Date: 16/10/24


Michelle Wright (Oct 16, 2024 11:07 GMT+1)

VALE MILL TRUST

RECEIPTS AND PAYMENTS ACCOUNT

For the year ended 31 December 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Receipts					
Grants and contracts	5	4,830	16,300	21,130	38,483
Other trading activities	6	20,351	-	20,351	13,696
Total income		25,181	16,300	41,481	52,179
Payments					
Charitable activities					
Operation of the charity	7	25,027	11,394	36,421	39,395
Total expenditure		25,027	11,394	36,421	39,395
Net movement of funds		154	4,906	5,060	12,784
Reconciliation of funds					
Total funds brought forward		9,072	11,974	21,046	8,262
Total funds carried forward		9,226	16,880	26,106	21,046

The Receipts and Payments Statement includes all gains and losses recognised in the year. All receipts and payments derive from continuing activities

The notes on pages 10 to 16 form an integral part of these accounts.

STATEMENT OF ASSETS AND LIABILITIES

As at 31 December 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Cash funds					
Current account		9,162	16,880	26,042	20,846
Petty cash	4	64	-	64	200
Total cash funds		9,226	16,880	26,106	21,046
Liabilities					
Accountancy and independent examination	8	200	-	200	200
Total assets		200	-	200	200

The notes on pages 10 to 16 form an integral part of these accounts.

These financial statements were approved by the Board on: 16/10/24

and are signed on its behalf by: Neil (Mac) McDiarmid Neil (Mac) McDiarmid
Treasurer Neil (Mac) McDiarmid (Oct 16, 2024 13:22 GMT+1)

VALE MILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1 Accounting Policies

The accounts have been prepared on the receipts and payments basis. An audit is not required by the charity's constitution and has not been requested by the trustees.

2 Basis of accounting

2.1 Preparation of the accounts on a going concern basis

The charity reported total unrestricted funds at the year end of £9,226 and has already secured a significant amount of funding for the current year.

The trustees are of the view that the immediate future of the charity for the next 12 months is secure and that on this basis the charity is a going concern.

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. The Trustees are of the view that the immediate future of the charity, for the next 12 months is secure and that on this basis the charity is a going concern.

3 Receipts

3.1 Recognition of receipts

Receipts are recognised when the charity has received the receipt.

3.2 Grants and donations

Income from government and other grants are recognised when the charity has received the funds.

3.3 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

4 Payments and liabilities

4.1 Liability recognition

Liabilities are recognised when it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

4.2 Charitable activities

Payments on charitable activities includes the costs of developing and maintaining the water mill and grounds by training and supporting people in the area as well as other activities undertaken to further the purposes of the charity and their associated support costs.

VALE MILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

4.3 Governance and support costs

Support costs have been allocated between governance cost and other support.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

4.4 Liabilities

The charity has liabilities which are measured at settlement amounts less any trade discounts.

4.5 Provision for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

VALE MILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

Analysis of receipts

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
5 Charitable activities				
<u>Income from grants and contracts</u>				
National Lottery Heritage Fund	-	16,300	16,300	20,375
National Lottery Community Fund	-	-	-	2,950
Digital Maturity Fund	-	-	-	6,955
Community Infrastructure Levy	-	-	-	3,524
CCG	4,830	-	4,830	4,679
	<u>4,830</u>	<u>16,300</u>	<u>21,130</u>	<u>38,483</u>
6 Other trading activities				
Tearoom	19,200	-	19,200	12,821
Membership	621	-	621	165
Other income	530	-	530	710
	<u>20,351</u>	<u>-</u>	<u>20,351</u>	<u>13,696</u>

Receipts were £41,481 (2022: £52,179) of which £25,181 was unrestricted or designated (2022: £18,375) and £16,300 was restricted (2022: £33,804)

VALE MILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

Analysis of payments on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
7 Charitable payments				
<u>Direct costs</u>				
Materials	41	-	41	360
Equipment	4,796	-	4,796	6,644
Tearoom costs	6,529	-	6,529	160
Garden costs	1,155	-	1,155	3,342
Activities	927	-	927	3,200
Volunteer costs	400	-	400	253
<u>Support costs</u>				
Staffing costs	-	10,894	10,894	9,954
Rent and rates	756	-	756	279
Printing & stationery	564	-	564	137
Postage & carriage	9	-	9	10
Office consumables	1,413	-	1,413	1,054
Office equipment costs	116	-	116	379
Repairs and renewals	4,635	-	4,635	12,009
Professional fees	227	-	227	459
Insurance	852	-	852	956
<u>Governance costs</u>				
Trustee training	-	500	500	-
Governance	2,406	-	2,406	-
Independent examiner's fees for reporting on the accounts	200	-	200	200
	<u>25,027</u>	<u>11,394</u>	<u>36,421</u>	<u>39,395</u>

Payments on charitable activities were £36,421 (2022: £39,395) of which £25,027 was unrestricted or designated (2022: £17,565) and £11,394 was restricted (2022: £21,830)

8 Fees for examination of the accounts

	2023 £	2022 £
Independent examiner's fees for reporting on the accounts	200	200
	<u>200</u>	<u>200</u>

9 Analysis of staff costs and the cost of key management personnel

	2023 £	2022 £
Salaries and wages	8,859	10,186
Social security costs	746	716
Pension costs (defined contribution pension plan)	348	48
	<u>9,953</u>	<u>10,950</u>

No employee received remuneration above £60,000 (2022: nil)

The key management personnel of the charity, comprise the trustees. The total employee benefits of the key management personnel of the charity were £nil (2022: £nil).

VALE MILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

10 Staff numbers

The average monthly head count was 1 staff (2022: 1 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	2023	2022
	Number	Number
The parts of the charity in which the employee's work		
Charitable activities	0.4	0.6
	0.4	0.6

11 Transactions with trustees

None of the trustees have been paid any remuneration or received any other benefits from an employment with the charity or a related entity.

Trustees' expenses

No trustee expenses have been incurred in the year.

Transaction(s) with related parties

There have been no related party transactions in the reporting period.

12 Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

NOTES TO THE FINANCIAL STATEMENTS

13 Events after the end of the reporting period

14 Analysis of charitable funds

For the year ended 31 December 2023

Purpose of unrestricted funds

Analysis of movement in restricted funds

Purpose of restricted funds

National Lottery Heritage Fund	To fund a volunteer co-ordinator post and review of governance
National Lottery Community Fund	To provide free family events onsite

15 Capital commitments

15

VALE MILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

16 Analysis of net assets between funds

	Unrestricted Funds £	Total 2023 £
Cash at bank and in hand	26,106	26,106
	<u>26,106</u>	<u>26,106</u>

	Unrestricted Funds £	Total 2022 £
Cash at bank and in hand	21,046	21,046
	<u>21,046</u>	<u>21,046</u>