

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

England & Wales · Charity number 1062968

Details

Other names	THE OPERATING CHARITABLE COMPANY LIMITED, ROYAL GUNPOWDER MILLS
Status	Registered
Legal form	Charitable company
Company number	03376501
Registered	1997-06-20
Register	View on the Charity Commission register

Contact

Address	Royal Gunpowder Mills Beaulieu Drive Waltham Abbey EN9 1JY
Phone	01992707370
Email	fionaebaxter@gmail.com
Website	www.royalgunpowdermills.com

Activities

Objects: (1) TO PRESERVE MANAGE RESEARCH CONSERVE AND DISPLAY FOR THE BENEFIT OF THE GENERAL PUBLIC AND OF THE NATION AT LARGE (A) WHATEVER OF THE HISTORICAL AND ARCHAEOLOGICAL HERITAGE MAY EXIST IN ALL THAT LAND AT WALTHAM ABBEY ESSEX MORE PARTICULARLY SHOWN EDGED RED ON THE PLAN ANNEXED TO A TRANSFER DATED 27TH MARCH 1997 AND MADE BETWEEN WALTHAM ABBEY TRUST COMPANY LIMITED (REGISTERED COMPANY NUMBER 3325864) AND THE SECRETARY OF STATE FOR DEFENCE TOGETHER WITH INTER ALIA THE ARCHAEOLOGICAL REMAINS BUILDINGS ROADS PATHWAYS AND WATERWAYS SITUATED THEREON ("WALTHAM ABBEY ROYAL GUNPOWDER MILLS") IN THE FORM OF ANCIENT MONUMENTS LISTED BUILDINGS AND FEATURES OF PARTICULAR HISTORIC OR ARCHAEOLOGICAL INTEREST; AND (B) THE NATURAL ASPECT FEATURES AND BIRD ANIMAL TREE AND PLANT LIFE OF THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS; (2) TO ADVANCE THE EDUCATION AND KNOWLEDGE OF THE PUBLIC RELATING TO THE HISTORY AND DEVELOPMENT OF GUNPOWDER EXPLOSIVES PROPELLANTS AND BALLISTIC AND OTHER MISSILES AND THE PRESERVATION HISTORY ARCHAEOLOGICAL AND INDUSTRIAL HERITAGE AND NATURAL HISTORY OF THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS (INCLUDING WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING THE ESTABLISHMENT OF AND ACQUISITION OF EXHIBITS FOR AN INTERPRETATIVE AND EDUCATION CENTRE FOR THE PROMOTION OF KNOWLEDGE ABOUT GUNPOWDER PROPELLANTS EXPLOSIVES PROJECTILES BALLISTIC AND OTHER MISSILES AND A CENTRE FOR TRAINING DISSEMINATION OF INFORMATION AND OTHER EDUCATIONAL FACILITIES) AND TO CONDUCT OR CAUSE TO BE CONDUCTED RESEARCH INTO SUCH MATTERS AND TO PUBLISH OR OTHERWISE DISSEMINATE THE USEFUL RESULTS THEREOF;

Activities: The company's principal object and activity during the year was to develop and manage the site and collections of the Waltham Abbey Royal Gunpowder Mills, provide programmes of education for schoolchildren, and open days for the general public to visit.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** Children/young People, Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- **Area of benefit:** NATIONAL
- Essex

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£1,072,889	£1,263,855	£0	8
2023-12-31	£556,096	£656,287	£4,217,647	8
2022-12-31	£488,990	£652,538	-	-
2021-12-31	£417,553	£581,027	-	-
2020-12-31	£306,638	£506,875	-	-

Trustees

Name	Role	Appointed
Fiona Baxter	Chair	2018-04-07
Andrew Ross McIver		2021-06-03
James Andrew Richardson		2021-07-01

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

England & Wales - Charity number 1062968

Accounts

Charity registration number 1062968 (England and Wales)

Company registration number 3376501

**THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY
LIMITED**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2025

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

C M Pemberton (resigned 31.10.24)
G S Browne (resigned 31.12.24)
F E A Baxter
A R Mciver
J A Richardson
R Lawes (resigned 31.10.24)
J Amador (resigned 22.06.24)
Dr G Hooper (resigned 10.03.24)

Charity number (England and Wales) 1062968

Company number 3376501 (England and Wales)

Registered office

Beaulieu Drive
Waltham Abbey
Essex
England
EN9 1JY

Auditor

BK Plus Audit Limited (Statutory Auditor)
6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Gloucestershire
GL51 9TX

Bankers

Barclays Bank Plc
Wolverhampton

Solicitors

Moore Barlow LLP
The Oriel
Sydenham Road
Guildford
Surrey
GU1 3SR

Senior Management Team

A Macdonald
Chief Executive

C Cavanagh (resigned 31.12.24)
General Manager

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

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THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE PERIOD ENDED 30 JUNE 2025

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period ended 30 June 2025. The trustees have adopted the provisions of 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) (effective 1 January 2019).

Objectives and activities

The principal object and aim of the charitable company is to manage and look after the Waltham Abbey Royal Gunpowder Mills site and operate it as a visitor attraction and educational facility. The charitable company is associated with The Waltham Abbey Royal Gunpowder Mills Charitable Foundation, a charitable foundation established to raise funds and manage an endowment for the long-term development and management of the Waltham Abbey site. The corporate trustee of the Waltham Abbey Royal Gunpowder Mills Charitable Foundation is the Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited.

The main objective for the period was to maintain and where possible improve a level of visitor and educational operation while focussing our attention on developing the future vision and strategy for the site as a whole. This meant keeping to a workable level of general operations while diversifying our income streams to limit the operating deficit and reduce the need for grant funding from the Charitable Foundation on whom we rely.

During the period we continued to work with the Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited to put the results of the 2023 Governance Review into effect. For some years it has been evident that the governance structure whereby two charities share responsibility has hampered the effective development of a strategy which can sustain the site into the future. The 2023 Review proposed merging the two charities into one to create a single governing body responsible for both long-term vision and development and day-to-day operational management. A merger working group comprised of members from the Company and Charitable Foundation Limited Boards oversaw the details of the proposed merger.

Following advice from the Charitable Foundation Limited's lawyers the recommended method was for the Company to transfer all its assets to the Charitable Foundation Limited (it having been registered as a charity as well as a company) at the date of the merger and to terminate the Management Agreement and surrender the lease under which the Company operated the site. The Company Board sought its own legal advice and on that basis duly resolved at its meeting on 9 December 2024 to agree the various documents required for the merger to take effect on 31 December 2024.

Volunteer numbers during 2024 were approximately 100, generating 12,618 hours compared to 8,499 hours in 2023, a significant increase. Our volunteers are valued and valuable and the Trustees are grateful for their enthusiasm and commitment to the site. A 2024 objective was to increase volunteer levels.

Public benefit

In shaping the Charitable Company's work, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. In addition to any grants received, the Charitable Company relies upon the income from admission fees and charges to cover its operating costs. In setting the level of admission fees, school programme charges, and concessions the trustees give careful consideration to the accessibility of the site for children and those on low incomes.

Achievements and performance

The site opened to the public at Easter 2024 and the company's principal objective was to continue to build the site as a well-run and interesting visitor attraction while minimising the operational budget deficit as we focussed on plans for the long-term sustainability of the site.

We regularised our general openings to every other Sunday from April to October, supplemented by mid-week activity days for a family audience during half terms and holidays. The more consistent opening schedule helped us increase admissions compared to 2023, though a significant part of this came from the reintroduction of a large-scale Fireworks event at the end of the season, which attracted 2,500 visitors and generated a £12k net profit for the evening. We continued to market our education programme to schools but travel costs have hindered the ability of some schools to visit and so constrained any expansion.

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2025

The major capital project was completing the repair work to the Grade 1 listed L157 Incorporating Mill building funded by the National Heritage Memorial Fund, where works were completed at the end of October. We are grateful to the NHMF for increasing the grant in response to rising costs on the project. As well as repairing the building we were able to add a new external ramp to facilitate access for disabled users and a new disabled WC. New interpretation has been installed which uses the history of the building to tell a broader story about how the site of what was then the Royal Gunpowder Factory evolved as technology changed.

Looking to the future of the site, in February we were awarded a grant of £250k towards our £305.5k project Reimagining the Royal Gunpowder Mills, the balance being funded by the Charitable Foundation. This project builds on the work of the Joint Project Board in 2022 and aims to reimagine the site as a multi-use place where commercial uses co-exist with the visitor attraction to provide overall financial sustainability also intend to reimagine the visitor proposition to tell the range of stories the site contains in ways which reach a much broader range of audiences than has hitherto been the case. An Engagement Workshop held in July and facilitated by The King's Foundation brought together all our stakeholders in an 'Enquiry by Design' process which resulted in a report which provides a framework for the site's development as a multi-use place which has broad support. The project also includes two years' funding for business development and fundraising staff to generate new income streams, and a small amount for immediate capital repair works which were used to repair the courtyard and Walton House.

Following the stakeholder workshops we were approached by Natural England, one of our key statutory consultees. They have an obligation to improve the status of the Site of Special Scientific Interest (SSSI) which has fallen as a consequence of the drying out of the alder woodland. They proposed carrying out a Feasibility Study using Countryside Stewardship funding from DEFRA to see if the woodland could be rewetted by means of rewatering part of the historic canal network which ran through the northern part of the site and for many years was the main means of transportation for explosives between different stages of the production process. We were successful in securing the grant and the project is underway and will report in early 2026 in time to be part of an application for the capital works under the same Countryside Stewardship scheme. It would be a major development for the site and will need full consideration once the study is complete but offers the tantalising prospect of restoring part of the site to how it would have looked when in full production at the start of the twentieth century as well as rewetting the key alder woodland.

As a consequence of the merger of the Company with the Charitable Foundation Limited trading ceased on 31 December 2024 though the accounting period was extended to 30 June 2025 to give time to tie up any loose ends. Staff were transferred under TUPE to the Charitable Foundation Limited on the same terms and conditions of employment.

Financial review

The net income for the period is detailed on page 9 in the Statement of Financial Activities.

During the period the charitable company received unrestricted funds of £219,399 from the Waltham Abbey Royal Gunpowder Mills Charitable Foundation as well as £109,765 in restricted funds for projects, making a total grant of £329,164.

The site was closed to the public from January until Easter 2024 and from October 2024 to the end of the period, other than for pre-booked school or group visits. The more consistent opening pattern – alternate Sundays from April to October - meant that income from general admission fees rose compared to 2023. These were additionally boosted significantly by the reintroduction of a Fireworks event at the end of the open season; this generated £12k in net profit, a great achievement for the many volunteers and staff who made it happen.

Filming income also recovered as a result of two significant location shoots taking place at our site. This gave a beneficial boost to our finances although it remains a volatile income stream. There was some success in building our functions and corporate hire income as well, and the funding from the NLHF for the Reimagining the Mills project has enabled us to employ a staff member dedicated to securing and managing venue and location filming hires which we hope will help us develop this as a more consistent and predictable source of revenue. Rental income increased as a result of the rent review on the H7 nursery lease and a new licence with our neighbours Hill Group for use of spaces in the car park.

On expenditure, the great bulk of the charity's costs are fixed costs to do with security and maintenance of our 175 acre site, and there are no realistic ways to reduce this when income falls.

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2025

Investment policy and objectives

Under the Memorandum and Articles of Association, the Charitable Company has the power to make any investment which the trustees may think fit.

Reserves policy

Before the beginning of every year or period the directors and trustees carry out a detailed review of the Charitable Company's activities and produce income and expenditure budgets and cash flow forecasts for the ensuing year or period. Monthly management accounts and cash flow forecasts are prepared and actual performance against the budgets are monitored by the directors and trustees at Board meetings.

As a consequence of the merger with the Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited all the Company's assets totalling £4,026,681 were transferred to the Charitable Foundation Limited on the merger date of 31 December 2024. There are therefore no free reserves or any other assets remaining in the Company after that date.

Future plans

Following the decision to merge the Company with the Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited and the resolution at the Board meeting on 10 December 2024 to agree the documents needed for that to take effect there are no future plans for the Company to be made, as the site will in future be run by the Charitable Foundation Limited.

At the December meeting the Board also agreed to extend the accounting year for the Company to 30 June 2025 in order to facilitate the realisation of assets and recording of the final transactions. Following the merger the three remaining Directors of the Company – Fiona Baxter, Andrew McIver, and James Richardson – were appointed to the Board of the Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited and attended the first meeting of the newly merged Board on 29 January 2025.

The Charitable Foundation Limited will take forward the projects which are underway to reimagine the Royal Gunpowder Mills site as a multi-use destination, appealing to commercial users as well as the public, while broadening its public offer to fully reflect the 300 years of history and heritage which this unique site contains.

Structure, governance and management

The Waltham Abbey Royal Gunpowder Mills Company Limited is currently limited by guarantee (company number 3376501) and is a registered charity (number 1062968). Its governing document is the Memorandum and Articles of Association.

A Special Resolution was passed in October 2021 and revised Memorandum and Articles of Association was adopted to take account of the changes in governance arrangements with the Charitable Foundation Limited. A further Special Resolution was passed in March 2023 and revised Memorandum and Articles of Association to take account of trustee governance changes.

The Sole Member of the Charitable Company is The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited, also the Corporate Trustee of the Waltham Abbey Royal Gunpowder Mills Charitable Foundation. The Charitable Company receives donations from the Charitable Foundation to enable it to carry out its functions.

The number of trustees shall not be less than two and not more than 20. Two trustees resigned in the first half of the period but were not replaced as Trustee recruitment had been put on hold pending the conclusion of the merger discussions. Following the August Board meeting where the in principle decision to merge was taken, two further trustees stood down, leaving a Board of four. Following the December Board meeting where the formal decision to merge was agreed and documents signed, a further trustee retired, leaving three to remain as trustee/directors until the Company is wound up.

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2025

As set out in the Articles of Association, at every Annual General Meeting one quarter of the directors and trustees retire by rotation and may if willing to act be reappointed. The 2025 AGM will be held during the autumn. The Articles state that the Chairman of The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited shall always be a Director and Trustee by virtue of his office. The Chairman of the Friends or Supporters Association established to support The Waltham Abbey Royal Gunpowder Mills Company Limited is a director and trustee per the Articles. The Articles state that each of the organisations; Essex County Council, Lee Valley Regional Park Authority, Epping Forest District Council and Waltham Abbey Town Council may appoint a Trustee to attend Board Meetings.

Organisational structure

The board of directors and trustees met regularly to administer the Charitable Company. Day-to-day operations of the Charitable Company were managed by a permanent staff of 3.8 FTE supported by casual employees and volunteers.

The trustees delegate day-to-day management of the charitable company to the Chief Executive Officer.

Current trustees

The current Trustees are listed below:

Fiona Baxter, Andrew McIver, James Richardson.

Recruitment, induction and training trustees

This is no longer relevant following the merger with the Charitable Foundation.

Key management remuneration

The trustees and the Chief Executive Officer comprised the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis. All trustees are unpaid.

Principal risks and uncertainties

The trustees took risks very seriously in managing a site with many hazards. The principal risk to our activities has for some time been the uncertainty of future funding for conservation and preservation partly because of a lack of a cohesive approach from the Operating Company and the Charitable Foundation. The merger into one charity combining responsibility for both the endowment and site operations will remove this concern and open the path to access further external fund raising.

The far-reaching *Reimagining the Mills* project supported by the National Lottery Heritage Fund under their Resilience Fund programme has set out a framework for the future development of the site which will now be taken forward by the Charitable Foundation Limited, as will the *Rewatering the Canals* project which is supported by Natural England.

Information relating to events since the end of the period is given in the notes to the financial statements.

Statement of trustees' responsibilities

The trustees, who are also the directors of The Waltham Abbey Royal Gunpowder Mills Company Limited for the purpose 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 period 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 charitable company for that period.

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2025

In preparing these 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 and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.



A R Mciver - Trustee

9 December 2025

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

Opinion

We have audited the financial statements of The Waltham Abbey Royal Gunpowder Mills Company Limited (the 'charity') for the period ended 30 June 2025 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2025 and of its incoming resources and application of resources, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter

We draw attention to Note 1.3 to the financial statements, which explains that the trustees have decided to wind up the charity after the period end and that the financial statements have therefore been prepared on a break-up basis rather than on a going concern basis.

As disclosed in Note 1.3, under the break-up basis, assets and liabilities have been adjusted to their recoverable and settlement amounts respectively. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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 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

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 it 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.

Owing to the inherent limitations of an audit, there is an unavoidable risk that, despite us planning and performing our audit in accordance with the auditing standards, one or more material misstatements in the financial statements may have gone undetected by our audit. As with any audit, there is a risk that irregularities and fraud will go undetected where they involve matters such as misrepresentations from management, collusion, deliberate omissions and override of controls. It is not the role of the auditor to prevent non-compliance and we cannot be expected to detect every instance of non-compliance with all laws and regulations.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiries of management including a pre audit meeting;
- obtaining and reviewing supporting documentation of policies concerning the laws and regulations applicable to the business;
- understanding how the company complies with its regulatory framework by making enquiries of management;
- considering the culture inherent in the company and whether this represents a culture of honesty and ethical behaviour with a strong emphasis of detection and prevention of fraud.

We assessed the susceptibility of the company's financial statements to material misstatement and considered how fraud might occur. The audit procedures performed included, but were not limited to:

- challenging management assumptions and estimates;
- identifying and testing unusual journal entries;
- assessing how the relevant laws and regulations have been complied with and noting any instances of non compliance;
- reviewing the financial statements for compliance with relevant Accounting Standards and accounting legislation applicable to a small company;
- considering how those charged with governance have addressed the possibility of an override of essential controls or other influence over the financial reporting processes.

In addition, we also considered other non financial laws relevant to the company. These do not necessarily have a direct influence on the financial statements but might affect the company's ability to operate.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

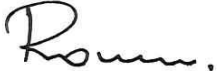
THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

Use of our report

This report is made solely to the charity's trustees, 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 charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Roger Downes FCA (Senior Statutory Auditor)

For and on behalf of BK Plus Audit Limited, Statutory Auditor
Chartered Certified Accountants
6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Gloucestershire
GL51 9TX

22 December 2025

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 30 JUNE 2025

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
Income from:							
Donations and legacies	3	220,572	109,765	330,337	306,516	22,000	328,516
Charitable activities	5	237,247	502,092	739,339	163,215	63,927	227,142
Other trading activities	4	3,213	-	3,213	438	-	438
Total income		<u>461,032</u>	<u>611,857</u>	<u>1,072,889</u>	<u>470,169</u>	<u>85,927</u>	<u>556,096</u>
Expenditure on:							
Charitable activities	6	667,065	595,416	1,262,481	574,550	78,678	653,228
Other material expenditure		1,374	-	1,374	3,059	-	3,059
Total expenditure		<u>668,439</u>	<u>595,416</u>	<u>1,263,855</u>	<u>577,609</u>	<u>78,678</u>	<u>656,287</u>
Net income/(expenditure)		<u>(207,407)</u>	<u>16,441</u>	<u>(190,966)</u>	<u>(107,440)</u>	<u>7,249</u>	<u>(100,191)</u>
Transfer of assets to related company	18	(3,980,969)	(45,712)	(4,026,681)	-	-	-
Net movement in funds	8	<u>(4,188,376)</u>	<u>(29,271)</u>	<u>(4,217,647)</u>	<u>(107,440)</u>	<u>7,249</u>	<u>(100,191)</u>
Reconciliation of funds:							
Fund balances at 1 January 2024		4,188,376	29,271	4,217,647	4,295,816	22,022	4,317,838
Fund balances at 30 June 2025		<u>-</u>	<u>-</u>	<u>-</u>	<u>4,188,376</u>	<u>29,271</u>	<u>4,217,647</u>

The notes on pages 12 to 25 form part of these financial statements.

**THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY
LIMITED**

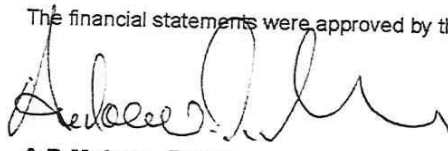
**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

	Notes	2025		2023	
		£	£	£	£
Fixed assets					
Tangible assets	12		-		4,155,328
Current assets					
Stocks	13	-		4,712	
Debtors	14	-		160,236	
Cash at bank and in hand		-		9,848	
Creditors: amounts falling due within one year	16	-		174,796	
				(112,477)	
Net current assets			-		62,319
Total assets less current liabilities			-		4,217,647
The funds of the charity					
Restricted income funds	18		-		29,271
Unrestricted funds	19		-		4,188,376
			-		4,217,647

The notes on pages 12 to 25 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the trustees on 9 December 2025



A R Mciver - Trustee

Company registration number 3376501 (England and Wales)

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2025

	Notes	2025 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	23		3,346		(46,795)
Net cash generated from investing activities					
			-		-
Net cash generated from financing activities					
			-		-
Net increase/(decrease) in cash and cash equivalents					
			3,346		(46,795)
Cash and cash equivalents at beginning of period			(3,346)		43,449
Cash and cash equivalents at end of period					
			-		(3,346)
Relating to:					
Cash at bank and in hand			-		9,848
Bank overdrafts included in creditors payable within one year			-		(13,194)

The notes on pages 12 to 25 form part of these financial statements.

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2025

1 Accounting policies

Charity information

The Waltham Abbey Royal Gunpowder Mills Company Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is The Waltham Abbey Royal Gunpowder Mills Company Limited, Column House, London Road, Shrewsbury, Shropshire, SY2 6NN, England.

1.1 Reporting period

The financial statements have been prepared for a 18 month period. The year end was extended to 30 June in order to facilitate the realisation of assets and recording of the final transactions. As such, the comparative amounts and related notes are not entirely comparable.

The comparative figures are for the period 1 January 2023 to 31 December 2023.

1.2 Basis of preparation

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.3 Going concern

At the time of approval, the financial statements have not been prepared on a going concern basis as the trustees have formally resolved to wind up the charity after the period end. As a result, the trustees consider that it is inappropriate to adopt the going concern basis of accounting in preparing these financial statements. Accordingly, the financial statements have been prepared on a break-up basis, under which:

- assets are stated at their recoverable amounts, being the amounts expected to be realised through disposal or settlement; and
- liabilities are stated at the amounts expected to be settled.

Any resulting adjustments arising from this change in basis have been recognised in these financial statements.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.5 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2025

1 Accounting policies

(Continued)

1.6 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 are allocated on the portion of the asset's use.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	50 years
Plant and equipment	5 years
Exhibition costs	5 years

All expenditure is written off to the Statement of Financial Activities as incurred, regardless of individual or project spend.

1.8 Stocks

Stock is included at the lower of cost or net realisable value.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charitable company 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.

1.11 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2025

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

Depreciation

Depreciation of tangible fixed assets is based on the Charity's judgement of their useful economic lives and residual values.

The depreciation rates used are disclosed in the tangible fixed asset accounting policy within note 1.

Allocation and apportionment of costs

Costs are allocated based on the percentage split of Income between 'Admissions' and 'Retail' for FY23 and split across the various Activities of the charity.

Recognition of grant income

Where entitlement to grant income is subject to performance conditions income is recognised as the performance conditions are met.

3 Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	1,173	-	1,173	5,341	-	5,341
Grants	219,399	109,765	329,164	301,175	22,000	323,175
	<u>220,572</u>	<u>109,765</u>	<u>330,337</u>	<u>306,516</u>	<u>22,000</u>	<u>328,516</u>

4 Income from other trading activities

	Unrestricted funds 2025 £	Unrestricted funds 2023 £
Shop income	<u>3,213</u>	<u>438</u>

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2025

5 Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Category						
Admission fees	69,874	-	69,874	24,973	-	24,973
Miscellaneous income	167,373	36,827	204,200	138,242	-	138,242
Grants	-	465,265	465,265	-	63,927	63,927
	<u>237,247</u>	<u>502,092</u>	<u>739,339</u>	<u>163,215</u>	<u>63,927</u>	<u>227,142</u>

Included above under 'Miscellaneous income' is the following:

	Unrestricted 2025 £	Restricted 2025 £	Total 2025 £	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £
Filming rights	95,016	-	95,016	10,261	-	10,261
Room Rental income (other)	67,693	-	67,693	59,735	-	59,735
Insurance claim proceeds	3,580	-	3,580	35,650	-	35,650
RPA Stewardship	675	36,827	37,502	-	-	-
Sale of deer	409	-	409	512	-	512
Functions	-	-	-	22,454	-	22,454
Corporate hospitality etc.	-	-	-	6,530	-	6,530
Sale of vehicles	-	-	-	3,100	-	3,100
	<u>167,373</u>	<u>36,827</u>	<u>204,200</u>	<u>138,242</u>	<u>-</u>	<u>138,242</u>

Grants received, included in the above, are as follows:

	Unrestricted 2025 £	Restricted 2025 £	Total 2025 £	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £
National Heritage Memorial Fund (NHMF)	-	465,265	465,265	-	63,927	63,927
	<u>-</u>	<u>465,265</u>	<u>465,265</u>	<u>-</u>	<u>63,927</u>	<u>63,927</u>

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2025

6 Expenditure on charitable activities

	Total 2025 £	Total 2023 £
Direct costs		
Staff costs	195,060	152,577
Insurance	40,409	31,766
Marketing	24,739	453
Estate costs	191,748	177,041
Depreciation	159,268	160,614
Repair and conservation work	567,219	72,143
Other costs of venue hire	18,712	-
Education and materials	9,808	-
IT costs	7,253	-
Consultancy costs: Interim manager	-	27,000
	<u>1,214,216</u>	<u>621,594</u>
Share of support and governance costs (see note 7)		
Support	38,810	23,630
Governance	9,455	8,004
	<u>1,262,481</u>	<u>653,228</u>
Commercial trading operation costs		
Staff costs	-	1,457
Retail supplies	1,374	1,602
	<u>1,263,855</u>	<u>656,287</u>
Analysis by fund		
Unrestricted funds	668,439	577,609
Restricted funds	595,416	78,678
	<u>1,263,855</u>	<u>656,287</u>

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2025

7 Support costs allocated to activities

Retail	2025	2023
	£	£
Accountancy fees	617	102

Heritage site

Legal and professional	13,115	3,983
General office	11,655	7,016
Accountancy fees	13,423	12,529
	<u>38,193</u>	<u>23,528</u>

Governance costs comprise:

	2025	2023
	£	£
Auditors' remuneration	4,737	4,950
Auditors' remuneration - non-audit	3,158	1,650
Accountancy fees	1,560	1,404
	<u>9,455</u>	<u>8,004</u>

8 Net movement in funds

	2025	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	159,268	160,614
Auditors' remuneration	7,895	6,600

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period. There were no trustees' expenses paid for the period ended 30 June 2025.

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2025

10 Employees

The average monthly number of employees during the period was:

	2025	2023
	Number	Number
Total	8	8

Employment costs

	2025	2023
	£	£
Wages and salaries	168,749	144,755
Social security costs	19,194	6,413
Other pension costs	3,220	2,866
	<u>191,163</u>	<u>154,034</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2025	2023
	Number	Number
£70,001 to £80,000	1	-

Remuneration of key management personnel

The Key Management Personnel of the Charity is considered to be the Chief Executive Officer (who is remunerated through the Foundation). The total remuneration of key management personnel was £70,025 (2023: £49,616).

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2025

12 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Exhibition costs	Total
	£	£	£	£
Cost				
At 1 January 2024	7,606,948	420,484	1,014,236	9,041,668
Transfer to related company	(7,606,948)	(420,484)	(1,014,236)	(9,041,668)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 June 2025	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment				
At 1 January 2024	(3,308,612)	(402,878)	(1,014,236)	(4,725,726)
Depreciation charged in the period	(152,139)	(7,129)	-	(159,268)
Transfer to related company	3,460,751	410,007	1,014,236	4,884,994
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 June 2025	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount				
At 30 June 2025	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2023	4,297,336	17,606	-	4,155,328
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

13 Stocks

	2025 £	2023 £
Finished goods	-	4,712
	<u> </u>	<u> </u>

14 Debtors

	2025 £	2023 £
Amounts falling due within one year:		
Trade debtors	-	23,241
Other debtors	-	93,917
Prepayments and accrued income	-	43,078
	<u> </u>	<u> </u>
	-	160,236
	<u> </u>	<u> </u>

15 Loans and overdrafts

	2025 £	2023 £
Bank overdrafts	-	13,194
	<u> </u>	<u> </u>
Payable within one year	-	13,194
	<u> </u>	<u> </u>

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2025

16 Creditors: amounts falling due within one year

	2025 £	2023 £
Bank overdrafts	-	13,194
Other taxation and social security	-	1,977
Deferred income	-	8,831
Trade creditors	-	63,090
Other creditors	-	9,395
Accruals	-	15,990
	<u>-</u>	<u>112,477</u>
	<u>-</u>	<u>112,477</u>

17 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2023 £
Within one year	-	2,450
Between two and five years	-	650
	<u>-</u>	<u>3,100</u>
	<u>-</u>	<u>3,100</u>

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2025

18 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2024	Incoming resources	Resources expended	Transfers	At 30 June 2025
	£	£	£	£	£
Fire alarm upgrades	6,012	-	-	(6,012)	-
WARGM Friends Association	5,441	-	-	(5,441)	-
Building L157 - NHMF	(839)	415,531	(476,171)	61,479	-
Match funding from Foundation for L157 project	18,657	50,728	-	(69,385)	-
Reimagining the mills	-	40,174	(48,132)	7,958	-
Match funding from Foundation for Reimagining the mills	-	19,037	-	(19,037)	-
Rewatering the canals	-	46,387	(71,113)	24,726	-
Match funding from Foundation for Rewatering the canals	-	40,000	-	(40,000)	-
	<u>29,271</u>	<u>611,857</u>	<u>(595,416)</u>	<u>(45,712)</u>	<u>-</u>
Previous year:	At 1 January 2023	Incoming resources	Resources expended	Transfers	At 31 December 2023
	£	£	£	£	£
Fire alarm upgrades	12,022	-	(6,010)	-	6,012
WARGM Friends Association	10,000	-	(4,559)	-	5,441
Building L157 - National Heritage Memorial Fund	-	63,927	(68,109)	3,343	(839)
Match Funding from Foundation for L157 project	-	22,000	-	(3,343)	18,657
	<u>22,022</u>	<u>85,927</u>	<u>(78,678)</u>	<u>-</u>	<u>29,271</u>

Transfer of funds

At the Board meeting of 11 December 2024 it was formally confirmed that there would be a merger between The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited and The Waltham Abbey Royal Gunpowder Mills Company Limited. It was agreed that the assets, liabilities and undertakings of the operating company would transfer to the Foundation, effective from 1 January 2025.

The operating company will be dissolved and its operational responsibilities taken on by the corporate trustee, with the Foundation holding the Permanent Endowment fund.

The corporate trustee (The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited) was registered as a charity on 7 October 2024. It was also established as a trading subsidiary on the 1 January 2025 to enable it to carry out trading activity in the future.

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2025

18 Restricted funds

(Continued)

As part of this transfer, all restricted fund balances held at the beginning of the year were moved to the Foundation. The projects and activities financed by these restricted funds have also been transferred, ensuring that all donor-imposed restrictions continue to be applied and that the funded work continues without interruption within the Foundation. Consequently, no restricted fund balances remain within the charity as at 30 June 2025.

The movements disclosed in this note reflect the incoming resources, resources expended and the transfers made during the year, in accordance with the Charities SORP (FRS 102). No gain or loss arose on the transfer of the restricted funds or the related activities.

Fire Alarm Upgrades

New Fire Alarm System installed at Waltham site in December 2019.

WARGM Friends Association

A donation was received for £10,000 for Waltham Abbey Royal Gunpowder Mills Friends Association (Registered Charity 1115237) in June 2022, £6,000 specifically towards buying new or refurbished playground equipment and the balance of £4,000 to be approved by the trustees of the WARGM Friends Association when to be utilised on specific projects.

Building L157 - National Heritage Memorial Fund / Match Funding from Foundation for L157 project

A grant for the repair and conservation of Building L157. The grant funded percentage is 95.03% with the balance match funded by the Waltham Abbey RGM Foundation. The match funded amount is being released in line with the installments received from NHMF.

Under the accounting policy adopted by the Company the repairs were treated as an expense and not capitalised. The NHMF holds a legal charge on the building for twenty years following the project completion date. Had the expenditure been capitalised the figures which would have appeared are a total value of £504,533 of which £479,458 was funded by a grant from the NHMF.

Reimagining the mills

This is a £305,500 project to work on the future vision and strategy for the Waltham Abbey site. £250,000 is funded by a grant from the National Lottery Heritage Foundation with the balance being funded by the Charitable Foundation. In 2024 the main output of the project was a series of stakeholder workshops which resulted in the Stakeholder Engagement Report which sets out a framework for the site's future development as a multi-use place.

Rewatering the canals

This is a project sponsored by Natural England to produce a Feasibility Study into the rewatering of parts of the historic canal network in order to rewet parts of the alder woodland and thereby improve the status of the Site of Special Scientific Interest. It is fully funded through the DEFRA Countryside Stewardship scheme. The project contains a contingency provision of £21k which is underwritten by the Charitable Foundation.

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2025

19 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Incoming resources	Resources expended	Transfers	At 30 June 2025
	£	£	£	£	£
Exceptional approved funding - Designated	-	27,583	(40,440)	12,857	-
General funds	4,188,376	433,449	(627,999)	(3,993,826)	-
	<u>4,188,376</u>	<u>461,032</u>	<u>(668,439)</u>	<u>(3,980,969)</u>	<u>-</u>
Previous year:					
	At 1 January 2023	Incoming resources	Resources expended	Transfers	At 31 December 2023
	£	£	£	£	£
General funds	4,295,816	470,169	(577,609)	-	4,188,376
	<u>4,295,816</u>	<u>470,169</u>	<u>(577,609)</u>	<u>-</u>	<u>4,188,376</u>

Transfer of funds

During the year, the trustees approved and completed a restructuring under which the assets, liabilities and activities of the operating company were transferred to a newly formed entity, effective 1 January 2025.

In line with this restructuring, all unrestricted fund balances and the associated operational activities were transferred to the new entity. This ensures that the ongoing work funded from unrestricted resources continues within the new structure. As a result, no unrestricted fund balances remain within the charity as at 30 June 2025.

The movements disclosed in this note reflect the incoming resources, resources expended and the transfers made during the year, in accordance with the Charities SORP (FRS 102). No gain or loss arose on the transfer of unrestricted funds or the related activities.

Exceptional approved funding - Designated

This fund is used to distinguish additional internal investment from Foundation, and is used for costs outside of the normal operational costs of the Company.

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2025

20 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
At 30 June 2025:	_____	_____	_____
	-	-	-
	=====	=====	=====
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 December 2023:			
Tangible assets	4,149,316	6,012	4,155,328
Current assets/(liabilities)	39,060	23,259	62,319
	-----	-----	-----
	4,188,376	29,271	4,217,647
	=====	=====	=====

21 Contingent Liabilities

Various funders retain the right to claw back grants should the use of funds not be in accordance with the terms of the grant. In the opinion of the trustees no such liability exists at the period-end.

22 Related party transactions

The Charitable Company is related to The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited, trustee of The Waltham Abbey Royal Gunpowder Mills Charitable Foundation ("the Foundation"), by virtue of a Management Agreement (for shared central services) and a Lease Agreement for the occupation of the Waltham Abbey site.

The Charitable Company received donations from the Foundation of £329,164 (2023: £323,175) to support the development and management of the site and buildings at Waltham Abbey in accordance with the charitable objectives of both the Charitable Company and the Foundation.

In addition, the Foundation made an expression of financial support to the Charitable Company, that is not binding on the Foundation. The commitment by the Foundation is an intention to spend and is not included in the financial statements as at 30 June 2025. The commitment at 30 June 2025 was £nil (2023: £192,000) to develop and manage the Waltham Abbey site.

Waltham Abbey Royal Gunpowder Mills Friends Association ("Friends Association") is a Registered Charity (No: 1115237) and both Dr G Hooper and L Stuart are trustees of that Charity, in addition to being directors and trustees of The Waltham Abbey Royal Gunpowder Mills Company Limited. During the year donations were received from the Friends Association totalling £500 (2023: £4,123).

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2025

23 Cash generated from/(absorbed by) operations	2025	2023
	£	£
Deficit for the period	(4,217,647)	(100,191)
Adjustments for:		
Loss on disposal of tangible fixed assets	3,996,060	-
Depreciation and impairment of tangible fixed assets	159,268	160,614
Movements in working capital:		
Decrease in stocks	4,712	682
Decrease/(increase) in debtors	160,236	(107,125)
(Decrease) in creditors	(90,452)	(775)
(Decrease) in deferred income	(8,831)	-
Cash generated from/(absorbed by) operations	3,346	(46,795)

24 Analysis of changes in net (debt)/funds

The charity had no material debt during the period.

25 Heritage assets

Any assets owned by the Charitable Company that are held for contribution towards the nation's cultural and educational benefit are recognised as heritage assets in the financial statements in accordance with Financial Reporting Standard 102 - Module 18 (Heritage Assets) and FRS 102 SORP, which requires such assets to be reported in the Statement of Financial Position, where information is available, at cost or value with initial recognition of donated heritage assets at their fair value where practical.

For assets that existed at 30 June 2025 the trustees are of the view that valuation information cannot be obtained at a cost that is commensurate with the benefits to users of the financial statements, so a valuation approach is not practical and the trustees have consequently adopted a non-recognition approach in accordance with the provisions of the Standard.

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

England & Wales - Charity number 1062968

Accounts

REGISTERED COMPANY NUMBER: 3376501 (England and Wales)
REGISTERED CHARITY NUMBER: 1062968

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
FOR
THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

BK Plus Audit Limited (Statutory Auditor)
6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Gloucestershire
GL51 9TX

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2023

TRUSTEES	C M Pemberton G S Browne Dr G Hooper (resigned 10.3.24) F E A Baxter J Amador (resigned 22.6.24) L Stuart (resigned 29.11.23) A R Mciver J J Brown (resigned 9.5.23) J A Richardson R Lawes (appointed 29.3.23) P D Egan (appointed 27.2.23) (resigned 11.10.23) A D Macdonald (appointed 29.3.23) (resigned 31.5.23)
REGISTERED OFFICE	Column House London Road Shrewsbury Shropshire SY2 6NN
REGISTERED COMPANY NUMBER	3376501 (England and Wales)
REGISTERED CHARITY NUMBER	1062968
AUDITORS	BK Plus Audit Limited (Statutory Auditor) 6 Manor Park Business Centre Mackenzie Way Cheltenham Gloucestershire GL51 9TX
BANKERS	Barclays Bank Plc Wolverhampton
SOLICITORS	Todmans SRE Barringtons, Hockley Rd Rayleigh, Essex, SS6 8EH Devonshires LLP 30 Finsbury Circus London, EC2M 7DT
SENIOR MANAGEMENT TEAM	A Macdonald (appointed 1.7.23) Chief Executive H Hamlyn (resigned 12.7.23) Site Manager Catherine Cavanagh (appointed 29.2.24) General Manager

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Aspirations for 2023 had to be curtailed when the severe financial constraints suffered throughout the country adversely impacted the financial support available to us and budgets had to be trimmed accordingly. The plan for 2023 had been to build on 2022 season, continue to open on Sundays and invest in capital projects. However, reduced operating budgets impacted on staffing levels, and capital projects. We continued to market the education programme to schools. Holiday activities, walking tours and other low cost/no cost activities were offered. A joint venture was entered into as a possible route to extend our offering, but did not deliver as expected.

The highlight of the year was approval from the National Heritage Memorial Fund in March to commit to substantial repair work in the Grade 1 listed L157 Incorporating Mill building with their generous funding assistance of £420,575. The award was made in March 2023 but only £63,927 was receivable in the 2023 financial year due to delays in starting the project; the balance will be receivable in the 2024 financial year and the project is expected to complete in September.

The charitable company is associated with The Waltham Abbey Royal Gunpowder Mills Charitable Foundation, a charitable foundation established to raise funds and manage an endowment for the long-term development and management of the Waltham Abbey site. The charitable company receives donations from the Foundation to enable it to carry out its functions. The Corporate Trustee of The Waltham Abbey Royal Gunpowder Mills Charitable Foundation is The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited, also the sole member of The Waltham Abbey Royal Gunpowder Mills Company Limited.

Volunteers

Volunteer numbers during 2023 were approximately 100 generating 8499 hours compared to 2022 - 10,176 hours. Covid opening restrictions resulted in 2021 volunteer hours of only 5737. Our volunteers are valued and valuable and the Trustees are grateful for their enthusiasm and commitment to the site. A 2024 objective is to increase volunteer levels.

Public Benefit

In shaping the Charitable Company's work, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. In addition to any grants received, the Charitable Company relies upon the income from admission fees and charges to cover its operating costs. In setting the level of admission fees, school programme charges, and concessions the trustees give careful consideration to the accessibility of the site for children and those on low incomes.

The entrance price has been maintained at the 2022 rate.

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The site opened to the public at Easter 2023 and the company's principal objective was to reestablish the site as a well-run and interesting visitor attraction that attracted 150 visitors on open days. These numbers proved to be over optimistic. Investigations across the visitor attraction sector indicated that this continues to be a national not local problem.

We were keen to restore our reputation with schools as a value for money school trip which met the needs of the school curriculum while also providing an on line offering for schools unable to travel to the site and a third-party school visiting option. The programme now includes Gunpowder, Rocketry and the Royal Gunpowder Mills itself.

Property rentals were slightly above budget. Filming rentals were disappointing after a buoyant 2022, which the industry attributed to general financial constraints and the increased cost of borrowing.

FINANCIAL REVIEW

Financial position

The net income for the period is detailed on page 10 in the Statement of Financial Activities.

During the year the charitable company received unrestricted funds of £301,175 from the Waltham Abbey Royal Gunpowder Mills Charitable Foundation ("the Foundation"), as well as £22,000 in restricted funds for projects, making a total grant of £323,175.

The site was closed to the public from January until Easter 2023 and from October 2023 to the end of the year. The shorter opening period meant that income from general admission fees fell compared to 2022. Filming income also fell as a consequence of the general slowdown in commissioning activity by streaming services as their subscription revenue dropped. Towards the end of the year there were signs that activity would pick up for 2024 but this is clearly a volatile income stream although beneficial. There was some success in building our functions and corporate hire income to compensate but these smaller-revenue activities are more time-consuming to manage. In addition, we had additional costs from rising energy bills and for security to try to prevent intruders to the site following damage to some of our buildings from vandals; a claim was made against our insurance for this which was pending during 2023 and settled in June 2024. The great bulk of the charity's costs are fixed costs to do with security and maintenance of our 175 acre site, and there are no realistic ways to reduce this when income falls.

A material error was identified in FY23 that related to FY22 and affected the opening reserves. This is disclosed and the financial impact within note 15 to the financial statements.

Investment policy and objectives

Under the Memorandum and Articles of Association, the Charitable Company has the power to make any investment which the trustees may think fit.

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL REVIEW

Reserves policy

Before the beginning of every year the directors and trustees carry out a detailed review of the Charitable Company's activities and produce income and expenditure budgets and cash flow forecasts for the ensuing year. Monthly management accounts and cash flow forecasts are prepared and actual performance against the budgets are monitored by the directors and trustees at Board meetings.

There were free reserves available at 31 December 2023 as demonstrated by net current assets of £34,501. The Charitable Company relies on the grants from the Foundation to fund its operating deficit. Monies are received from the Foundation on a cash-flow basis during the year, as needed, up to a sum determined by the annual budget which receives review and final approval by the Foundation. To date, deficit grant funding received to the end of August 2024 stands at £131,816 and development/capital grant funding received to the end of August 2024 stands at £61,307.

The Foundation has confirmed it will continue funding for at least 12 months commencing 1 September 2024 for the next year.

FUTURE PLANS

Rosanna Lawes joined the Company Board in March 2023 to speed the development of a solution from the Joint Project Board. In June, Andrew Macdonald was appointed as Chief Executive Officer and he has assisted Rosanna in the work of the Joint Project Board in meeting stakeholders and sharing outline plans for the future with stakeholders and assess their level of support.

In the autumn, the Trustees began tentative conversations with the Foundation about merging both charities to improve effectiveness in achieving charitable objectives and conserving and protecting the site. Legal advice was sought on how this might be achieved. Four models were explored at length and major supporters such as NHLF were consulted for their views on our proposed direction of travel. By January 2024 the Foundation had appointed Farrer & Co to conduct Due Diligence on the Operating Company on their behalf. In March 2024 the Operating Company received independent legal advice confirming that it was within their power to take the decision to merge with another charity if they believed it to be in the best interest of the charity. This decision was duly made. A working party with members from each charity began to meet in April 2024 with a plan of actions required to facilitate a merger. The group meets regularly and has an estimated end of 2024 for the completion of all identified actions and a move to one united charity with care and control of the site and its endowment.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Waltham Abbey Royal Gunpowder Mills Company Limited is currently limited by guarantee (company number 3376501) and is a registered charity (number 1062968). Its governing document is the Memorandum and Articles of Association.

A Special Resolution was passed in October 2021 and revised Memorandum and Articles of Association was adopted to take account of the changes in governance arrangements with the Foundation. A further Special Resolution was passed in March 2023 and revised Memorandum and Articles of Association to take account account of trustee governance changes.

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The Sole Member of the Charitable Company is The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited.

The number of trustees shall not be less than two and not more than 20. Sadly, we have lost 4 Trustees during 2023 through a combination of new jobs, ill health and a further retirement early in 2024. As the Charity is currently undertaking a governance review, Trustee recruitment has been put on hold until later in 2024 when requirements for the future will be clearer.

As set out in the Articles of Association, at every Annual General Meeting one quarter of the directors and trustees retire by rotation and may if willing to act be reappointed. The 2024 AGM will be held in during the autumn. The Articles state that the Chairman of The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited shall always be a Director and Trustee by virtue of his office. The Chairman of the Friends or Supporters Association established to support The Waltham Abbey Royal Gunpowder Mills Company Limited is a director and trustee per the Articles. The Articles state that each of the organisations; Essex County Council, Lee Valley Regional Park Authority, Epping Forest District Council and Waltham Abbey Town Council may appoint a Trustee to attend Board Meetings.

Organisational structure

The board of directors and trustees which meets regularly to administer the Charitable Company. Day-to-day operations of the Charitable Company are managed by a permanent staff of 3.8 FTE supported by casual employees and volunteers.

The trustees delegate day-to-day management of the charitable company to the Chief Executive Officer.

Current Trustees

The current Trustees are listed below:

Fiona Baxter, Grahame Browne, Rosanna Lawes, Andrew McIver, Mark Pemberton, James Richardson,

Recruitment, induction and training trustees

A review of current and future trustee skill requirements is currently underway. When clarity about skill gaps is identified a recruitment drive will commence and will have due regard to trustee diversity. It is anticipated that as in the past, trustee induction training will be provided at the point of recruitment

Key management remuneration

The trustees and the Chief Executive Officer comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis. All trustees are unpaid.

Principal risks and uncertainties

The trustees take risks very seriously in managing a site with many hazards. The principal risk to our activities has for some time been viewed as the uncertainty of future funding for conservation and preservation partly because of a lack of a cohesive approach from the Operating Company and the Foundation. The development of a new charity combining responsibility for both the endowment and site operations will remove this concern and open the path to access further external fund raising.

Work with a large group of Stakeholders took place in June 2024 to identify opportunities to raise funds and identify potential solutions to some of our difficulties. Visitor headcount is significantly below the pre COVID level and is being addressed by a far-reaching reimagining project supported by the National Lottery Heritage Fund under their Resilience Fund programme.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Waltham Abbey Royal Gunpowder Mills Company Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

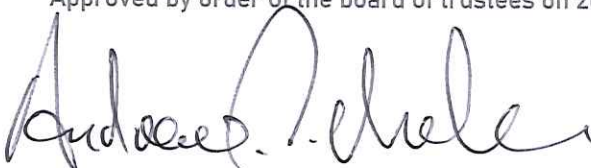
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, BK Plus Audit Limited (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 20 September 2024 and signed on its behalf by:



A R Mciver - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

Opinion

We have audited the financial statements of The Waltham Abbey Royal Gunpowder Mills Company Limited (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditor that includes our opinion. Reasonable assurance is a high level of assurance, but it 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.

Owing to the inherent limitations of an audit, there is an unavoidable risk that, despite us planning and performing our audit in accordance with auditing standards, one or more material misstatements in the financial statements may have gone undetected by our audit. As with any audit, there is a risk that irregularities and fraud will go undetected where they involve matters such as misrepresentations from management, collusion, deliberate omissions and override of controls. It is not the role of the auditor to prevent non-compliance and we cannot be expected to detect every instance of non-compliance with all laws and regulations.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiries of management including a pre audit meeting;
- obtaining and reviewing supporting documentation of policies concerning the laws and regulations applicable to the business;
- understanding how the charitable company complies with its regulatory framework by making enquiries of management ;
- considering the culture inherent in the charitable company and whether this represents a culture of honesty and ethical behaviour with a strong emphasis of detection and prevention of fraud.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

Auditors' responsibilities for the audit of the financial statements - continued

We assessed the susceptibility of the charitable company's financial statements to material misstatement and considered how fraud might occur. The audit procedures performed included, but were not limited to:

- challenging management assumptions and estimates;
- identifying and testing unusual journal entries;
- assessing how the relevant laws and regulations have been complied with and noting any instances of non compliance;
- reviewing the financial statements for compliance with relevant Accounting Standards and accounting legislation applicable to a smaller company;
- considering how those charged with governance have addressed the possibility of an override of essential controls or other influence over the financial reporting processes.

In addition, we also considered other non financial laws relevant to the charitable company. These do not necessarily have a direct influence on the financial statements but might affect the charity's ability to operate.

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 Report of the Independent Auditors.

Use of our report

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



Roger Downes FCA (Senior Statutory Auditor)
for and on behalf of BK Plus Audit Limited (Statutory Auditor)
6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Gloucestershire
GL51 9TX

Date: 23.09.2024

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	Unrestricted funds £	Restricted funds £	31.12.23 Total funds £	31.12.22 Total funds as restated £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	4	306,516	22,000	328,516	218,045
Charitable activities					
Operation of Waltham Abbey Royal Gunpowder Mills	6	24,973	63,927	88,900	37,787
Miscellaneous income		138,242	-	138,242	227,646
Other trading activities	5	438	-	438	5,512
Total		<u>470,169</u>	<u>85,927</u>	<u>556,096</u>	<u>488,990</u>
EXPENDITURE ON					
Commercial trading operation costs	7	3,059	-	3,059	55,911
Charitable activities					
Costs of Operation of Waltham Abbey Royal Gunpowder Mills	8	574,550	78,678	653,228	614,983
Total		<u>577,609</u>	<u>78,678</u>	<u>656,287</u>	<u>670,894</u>
NET INCOME/(EXPENDITURE)		<u>(107,440)</u>	<u>7,249</u>	<u>(100,191)</u>	<u>(181,904)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward					
As previously reported		4,314,172	22,022	4,336,194	4,499,742
Prior year adjustment	15	(18,356)	-	(18,356)	-
As restated		<u>4,295,816</u>	<u>22,022</u>	<u>4,317,838</u>	<u>4,499,742</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>4,188,376</u></u>	<u><u>29,271</u></u>	<u><u>4,217,647</u></u>	<u><u>4,317,838</u></u>

The notes form part of these financial statements

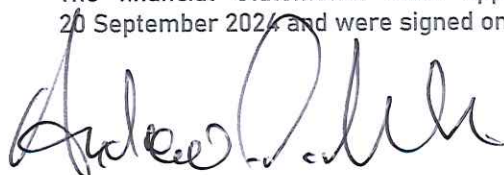
THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2023

		Unrestricted funds	Restricted funds	31.12.23 Total funds	31.12.22 Total funds as restated
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	16	4,149,316	6,012	4,155,328	4,315,942
CURRENT ASSETS					
Stocks	17	4,712	-	4,712	5,394
Debtors	18	141,427	18,809	160,236	53,111
Cash at bank and in hand		-	9,848	9,848	43,449
		<u>146,139</u>	<u>28,657</u>	<u>174,796</u>	<u>101,954</u>
CREDITORS					
Amounts falling due within one year	19	(107,079)	(5,398)	(112,477)	(100,058)
NET CURRENT ASSETS		<u>39,060</u>	<u>23,259</u>	<u>62,319</u>	<u>1,896</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,188,376</u>	<u>29,271</u>	<u>4,217,647</u>	<u>4,317,838</u>
NET ASSETS		<u>4,188,376</u>	<u>29,271</u>	<u>4,217,647</u>	<u>4,317,838</u>
FUNDS	22				
Unrestricted funds				4,188,376	4,295,816
Restricted funds				29,271	22,022
TOTAL FUNDS				<u>4,217,647</u>	<u>4,317,838</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 20 September 2024 and were signed on its behalf by:



A R Mciver - Trustee

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

		31.12.23	31.12.22 as restated £
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	<u>(46,795)</u>	<u>8,260</u>
Net cash (used in)/provided by operating activities		<u>(46,795)</u>	<u>8,260</u>
Change in cash and cash equivalents in the reporting period		<u>(46,795)</u>	<u>8,260</u>
Cash and cash equivalents at the beginning of the reporting period	2	<u>43,449</u>	<u>35,189</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>(3,346)</u></u>	<u><u>43,449</u></u>

The notes form part of these financial statements

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

1.	RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES	31.12.23	31.12.22 as restated	
		£	£	
	Net expenditure for the reporting period (as per the Statement of Financial Activities)	(100,191)	(181,904)	
	Adjustments for:			
	Depreciation charges	160,614	164,155	
	Decrease/(increase) in stocks	682	(880)	
	Increase in debtors	(107,125)	(23,174)	
	(Decrease)/increase in creditors	(775)	50,063	
	Net cash (used in)/provided by operations	<u>(46,795)</u>	<u>8,260</u>	
2.	ANALYSIS OF CASH AND CASH EQUIVALENTS	31.12.23	31.12.22 as restated	
		£	£	
	Cash in hand	977	1,229	
	Notice deposits (less than 3 months)	8,871	42,220	
	Overdrafts included in bank loans and overdrafts falling due within one year	(13,194)	-	
	Total cash and cash equivalents	<u>(3,346)</u>	<u>43,449</u>	
3.	ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)	At 1.1.23	Cash flow	At 31.12.23
		£	£	£
	Net cash			
	Cash at bank and in hand	43,449	(33,601)	9,848
	Bank overdrafts	-	(13,194)	(13,194)
		<u>43,449</u>	<u>(46,795)</u>	<u>(3,346)</u>
	Total	<u>43,449</u>	<u>(46,795)</u>	<u>(3,346)</u>

The notes form part of these financial statements

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. CHARITY INFORMATION

The Charity is a company limited by guarantee (company number: 3376501 England and Wales) and a charity registered with the Charity Commission in England and Wales (charity number: 1062968). The registered office is The Waltham Abbey Royal Gunpowder Mills Company Limited, Column House, London Road, Shrewsbury, Shropshire, SY2 6NN.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The Charity prepared its budgets for the financial year to 31 December 2024 with an operational deficit of £192,000 and £147,000 to fund capital and other special projects. In May a reforecast of the budget was prepared which projected an operating deficit of £215,514. Projections have also been prepared for the 9 month period ending 30 September 2025 that show an operational deficit of £143,441 (in addition to Special Project funding budgeted at £66,000). As set out in note 24 to these financial statements, the Charity, as in previous years, is reliant upon the continued support of The Waltham Abbey Royal Gunpowder Mills Foundation ("The Foundation") to provide discretionary funds to make good operational deficits.

The Foundation and the Operating Company have taken the decision in principle to merge and create one single charity with responsibility for all aspects of the site, a process which is planned to complete by 31 December 2024. Notwithstanding this decision the Foundation has provided written confirmation of financial support for the period to the end of September 2025, thus a minimum of 12 months post approval of the FY23 financial statements.

There is no indication that The Foundation will not provide financial support towards the operational deficit beyond 30 September 2025 should the merger of the charities not take place. As a result of these commitments, the Board of the Charity considers the Charitable Company to be a going concern and has prepared these financial statements on that basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES - continued

Expenditure

Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

The Board of Trustees reviewed the split of costs during the year ended 31 December 2023 and have compared against the 2022 figures accordingly. In particular, Governance costs (Support) were reviewed in line with the SORP and it was agreed to include 10% of the accountancy fees (2022: 10%) (in relation to year end procedures) and 100% of the audit costs (2022: 100%).

The Board of Trustees considers the allocation of costs in proportion of Admissions income compared to Retail income for the year under review. For the year to 31 December 2023, Admissions income was calculated as 99% (2022: 87%) and Retail income 1% (2022: 13%). This split is then applied to Retail (Commercial Trading Operation Costs) and the Heritage Site, after considering if any of the expenditure falls within the SORP guidance for 'Governance'.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 50 years
Exhibition costs	- 5 years
Plant and machinery	- 5 years

For the years up to 31 December 2021, individual fixed asset additions costing £1,250 or less were not capitalised unless they were part of a specific project or exhibition and the total expenditure exceeded £1,250 overall.

For FY22 (and all future years), the directors have considered and revised the internal capitalisation policy. Accordingly, all expenditure commencing 1 January 2022 is now written off to the Statement of Financial Activities as incurred, regardless of individual or project spend.

For the reasons stated in note 27, the historic exhibits owned by the charity have not been capitalised.

Cash at bank and in hand

Cash at bank 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.

Financial instruments

The Charitable company 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.

Stocks

Stock is included at the lower of cost or net realisable value.

Taxation

The charitable company is exempt from corporation tax on its charitable activities.

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objectives of the charitable company.

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for these purposes is charged to the restricted fund.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Charitable Company's accounting policies, the directors/trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of Estimation Uncertainty

Depreciation

Depreciation of tangible fixed assets is based on the Charity's judgement of their useful economic lives and residual values.

The depreciation rates used are disclosed in the tangible fixed asset accounting policy within note 2 and the carrying value of the assets is disclosed in note 16.

Allocation and apportionment of costs

Costs are allocated based on the percentage split of Income between 'Admissions' and 'Retail' for FY23 and split across the various Activities of the charity. Further information is disclosed within note 2.

Recognition of grant income

Where entitlement to grant income is subject to performance conditions income is recognised as the performance conditions are met.

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

4.	DONATIONS AND LEGACIES	31.12.23	31.12.22 as restated
		£	£
	Donations	5,341	15,407
	Grants from Waltham Abbey Royal Gunpowder Mills Charitable Foundation	323,175	202,638
		<u>328,516</u>	<u>218,045</u>
5.	OTHER TRADING ACTIVITIES	31.12.23	31.12.22 as restated
		£	£
	Commercial trading operations	438	5,512
		<u>438</u>	<u>5,512</u>
6.	INCOME FROM CHARITABLE ACTIVITIES	31.12.23	31.12.22 as restated
		£	£
	Admission fees	24,973	33,787
	Grants	63,927	4,000
	Filming Rights etc	138,242	227,646
		<u>227,142</u>	<u>265,433</u>
	Included above under the Activity 'Miscellaneous income' is the following:	31.12.23	31.12.22
		£	£
	Filming Rights	10,261	141,791
	Room Rental income (other)	59,735	50,656
	Insurance claim proceeds	35,650	32,025
	Functions	22,454	2,448
	Sale of vehicles	3,100	-
	Corporate hospitality etc	6,530	726
	Sale of deer	512	-
		<u>138,242</u>	<u>227,646</u>

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

6.	INCOME FROM CHARITABLE ACTIVITIES - continued		
	Grants received, included in the above, are as follows:		
		31.12.23	31.12.22 as restated
		£	£
	Epping Forest District Council	-	4,000
	National Heritage Memorial Fund (NHMF)	63,927	-
		<u>63,927</u>	<u>4,000</u>
		<u>63,927</u>	<u>4,000</u>
7.	COMMERCIAL TRADING OPERATION COSTS		
	Commercial trading operation costs		
		31.12.23	31.12.22 as restated
		£	£
	Staff costs	1,457	24,236
	Insurance	-	3,973
	Retail supplies	1,602	2,301
	Estate and establishment costs	-	25,401
		<u>3,059</u>	<u>55,911</u>
		<u>3,059</u>	<u>55,911</u>
8.	CHARITABLE ACTIVITIES COSTS		
		Direct Costs (see note 9) £	Support costs (see note 10) £
			Totals £
	Costs of Operation of Waltham Abbey Royal Gunpowder Mills	<u>621,594</u>	<u>31,634</u>
			<u>653,228</u>
9.	DIRECT COSTS OF CHARITABLE ACTIVITIES		
		31.12.23	31.12.22 as restated
		£	£
	Staff costs	152,577	160,418
	Insurance	31,766	26,298
	Marketing	453	9,148
	Estate costs	177,041	168,169
	Special Projects - Building L157 NHMF	72,143	18,356
	Consultancy costs: Interim Manager	27,000	-
	Depreciation	160,614	164,155
		<u>621,594</u>	<u>546,544</u>
		<u>621,594</u>	<u>546,544</u>

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

10. SUPPORT COSTS

	Retail £	Heritage site £	Governance costs £	Totals £
Costs of Operation of Waltham Abbey Royal Gunpowder Mills	<u>102</u>	<u>23,528</u>	<u>8,004</u>	<u>31,634</u>

Support costs, included in the above, are as follows:

Retail

			31.12.23	31.12.22 as restated
			Costs of Operation of Waltham Abbey Royal Gunpowder Mills £	Total activities £
Accountancy fees			102	1,636
General office			-	1,160
			<u>102</u>	<u>2,796</u>

Heritage site

			31.12.23	31.12.22 as restated
			Costs of Operation of Waltham Abbey Royal Gunpowder Mills £	Total activities £
Accountancy fees			12,529	10,828
Legal and professional fees			3,983	40,508
General office			7,016	7,680
			<u>23,528</u>	<u>59,016</u>

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

10. SUPPORT COSTS - continued
Governance costs

	31.12.23	31.12.22 as restated
	Costs of Operation of Waltham Abbey Royal Gunpowder Mills £	Total activities £
Auditors' remuneration	6,600	5,168
Accountancy fees	1,404	1,459
	<u>8,004</u>	<u>6,627</u>

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.23	31.12.22 as restated
	£	£
Auditors' remuneration	6,600	5,168
Depreciation - owned assets	160,614	164,155
	<u>167,214</u>	<u>169,323</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2023 nor for the year ended 31 December 2022.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. STAFF COSTS

	2023 £	2022 £
Wages and salaries	144,755	171,463
Social security costs	6,413	8,938
Other pension costs	2,866	4,253
	154,034	184,654
	154,034	184,654

No employee earned more than £60,000 per annum (2022: £nil).

The Key Management Personnel of the Charity are considered to be the Site Manager and the Chief Executive Officer (who is remunerated through the Foundation). The total remuneration of key management personnel was £49,616 (2022: £40,107).

The average monthly number of employees during the year was as follows:

	31.12.23	31.12.22 as restated
Administration and Operations	8	9
	8	9
	8	9

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds as restated £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	208,045	10,000	218,045
Charitable activities			
Operation of Waltham Abbey Royal Gunpowder Mills	37,787	-	37,787
Miscellaneous income	227,646	-	227,646
Other trading activities	5,512	-	5,512
Total	478,990	10,000	488,990
EXPENDITURE ON			
Commercial trading operation costs	55,911	-	55,911
Charitable activities			
Costs of Operation of Waltham Abbey Royal Gunpowder Mills	608,973	6,010	614,983
Total	664,884	6,010	670,894

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

14.	COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued	Unrestricted funds	Restricted funds	Total funds as restated
		£	£	£
		<u> </u>	<u> </u>	<u> </u>
	NET INCOME/(EXPENDITURE)	(185,894)	3,990	(181,904)
	RECONCILIATION OF FUNDS			
	Total funds brought forward	4,481,710	18,032	4,499,742
		<u> </u>	<u> </u>	<u> </u>
	TOTAL FUNDS CARRIED FORWARD	<u>4,295,816</u>	<u>22,022</u>	<u>4,317,838</u>

15. **PRIOR YEAR ADJUSTMENT**

A prior year adjustment has been made to correct the balances in accruals, expenditure and funds.

Note 19: Creditors falling due within one year has been increased by £18,356 to represent an unrecognised accrual relating to legal costs for the L157 project.

Expenditure in notes 8 and 9 has also been increased by £18,356 to recognise the accrual.

This has the effect of decreasing the unrestricted fund balances at 31 December 2022 by £18,356 compared to the original published financial statements in September 2023.

16. **TANGIBLE FIXED ASSETS**

	Long leasehold £	Exhibition costs £	Plant and machinery £	Totals £
COST				
At 1 January 2023 and 31 December 2023	<u>7,606,948</u>	<u>1,014,236</u>	<u>420,484</u>	<u>9,041,668</u>
DEPRECIATION				
At 1 January 2023	3,308,612	1,014,236	402,878	4,725,726
Charge for year	<u>152,139</u>	<u>-</u>	<u>8,475</u>	<u>160,614</u>
At 31 December 2023	<u>3,460,751</u>	<u>1,014,236</u>	<u>411,353</u>	<u>4,886,340</u>
NET BOOK VALUE				
At 31 December 2023	<u>4,146,197</u>	<u>-</u>	<u>9,131</u>	<u>4,155,328</u>
At 31 December 2022	<u>4,298,336</u>	<u>-</u>	<u>17,606</u>	<u>4,315,942</u>

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

17.	STOCKS	31.12.23	31.12.22 as restated
		£	£
	Finished goods	<u>4,712</u>	<u>5,394</u>
18.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.12.23	31.12.22 as restated
		£	£
	Trade debtors	23,241	8,336
	Other debtors	85,650	10,000
	VAT	8,267	8,488
	Prepayments and accrued income	<u>43,078</u>	<u>26,287</u>
		<u>160,236</u>	<u>53,111</u>
19.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.12.23	31.12.22 as restated
		£	£
	Bank loans and overdrafts (see note 20)	13,194	-
	Trade creditors	63,090	53,955
	Social security and other taxes	1,977	3,839
	Other creditors	9,395	11,221
	Accrued expenses	15,990	23,756
	Deferred income	<u>8,831</u>	<u>7,287</u>
		<u>112,477</u>	<u>100,058</u>
20.	LOANS		
	An analysis of the maturity of loans is given below:		
		31.12.23	31.12.22 as restated
		£	£
	Amounts falling due within one year on demand:		
	Bank overdrafts	<u>13,194</u>	<u>-</u>

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

21. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.23	31.12.22 as restated
	£	£
Within one year	2,450	2,450
Between one and five years	650	3,050
	<u>3,100</u>	<u>5,500</u>

22. MOVEMENT IN FUNDS

	At 1.1.23 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds					
General fund	4,314,172	(18,356)	(107,440)	-	4,188,376
Restricted funds					
Fire Alarm Upgrades	12,022	-	(6,010)	-	6,012
WARGM Friends Association	10,000	-	(4,559)	-	5,441
Building L157 - National Heritage Memorial Fund	-	-	(4,182)	3,343	(839)
Match Funding from Foundation for L157 project	-	-	22,000	(3,343)	18,657
	<u>22,022</u>	<u>-</u>	<u>7,249</u>	<u>-</u>	<u>29,271</u>
TOTAL FUNDS	<u>4,336,194</u>	<u>(18,356)</u>	<u>(100,191)</u>	<u>-</u>	<u>4,217,647</u>

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

22. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	470,169	(577,609)	(107,440)
Restricted funds			
Fire Alarm Upgrades	-	(6,010)	(6,010)
WARGM Friends Association	-	(4,559)	(4,559)
Building L157 - National Heritage Memorial Fund	63,927	(68,109)	(4,182)
Match Funding from Foundation for L157 project	22,000	-	22,000
	<u>85,927</u>	<u>(78,678)</u>	<u>7,249</u>
TOTAL FUNDS	<u>556,096</u>	<u>(656,287)</u>	<u>(100,191)</u>

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	4,481,710	(185,894)	4,295,816
Restricted funds			
Fire Alarm Upgrades	18,032	(6,010)	12,022
WARGM Friends Association	-	10,000	10,000
	<u>18,032</u>	<u>3,990</u>	<u>22,022</u>
TOTAL FUNDS	<u>4,499,742</u>	<u>(181,904)</u>	<u>4,317,838</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

22. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	478,990	(664,884)	(185,894)
Restricted funds			
Fire Alarm Upgrades	-	(6,010)	(6,010)
WARGM Friends Association	10,000	-	10,000
	<u>10,000</u>	<u>(6,010)</u>	<u>3,990</u>
TOTAL FUNDS	<u>488,990</u>	<u>(670,894)</u>	<u>(181,904)</u>

Nature and purpose of Restricted Funds

Fire Alarm Upgrades

New Fire Alarm System installed at Waltham site in December 2019.

WARGM Friends Association

A donation was received for £10,000 from Waltham Abbey Royal Gunpowder Mills Friends Association (Registered Charity 1115237) in June 2022, £6,000 specifically towards buying new or refurbished playground equipment and the balance of £4,000 to be approved by the trustees of the WARGM Friends Association when to be utilised on specific projects.

Building L157 - National Heritage Memorial Fund / Match funding from Foundation for L157 project

A grant for the repair and conservation of Building L157. The grant funded percentage is 95.03% with the balance match funded by the Waltham Abbey RGM Foundation. The match funded amount is being released in line with the installments received from NHMF.

Transfers between funds

Transfers are made between restricted and unrestricted funds at the end of every accounting period in cases where:-

- (i) The activity of the restricted fund has come to an end and there is an unspent balance that is not repayable to the funder(s), when the surplus is transferred to unrestricted funds; and
- (ii) the restricted fund is in deficit and has either come to an end or there is no prospect of a surplus in a later period, which the deficit is eliminated by transfer from unrestricted funds.
- (iii) to transfer the value of tangible fixed assets from restricted to unrestricted funds when the asset has been purchased from a restricted fund donation but is held for a general and not a restricted purpose.

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

23. CONTINGENT LIABILITIES

Various funders retain the right to claw back grants should the use of funds not be in accordance with the terms of the grant. In the opinion of the trustees no such liability exists at the year-end.

24. RELATED PARTY DISCLOSURES

The Charitable Company is related to The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited, trustee of The Waltham Abbey Royal Gunpowder Mills Charitable Foundation ("the Foundation"), by virtue of a Management Agreement (for shared central services) and a Lease Agreement for the occupation of the Waltham Abbey site.

C M Pemberton and R Lawes are directors and trustees of both the Charitable Company and the Foundation.

The Charitable Company received donations from the Foundation of £323,175 (2022: £202,638) to support the development and management of the site and buildings at Waltham Abbey in accordance with the charitable objects of both the Charitable Company and the Foundation.

In addition, the Foundation made an expression of financial support to the Charitable Company, that is not binding on the Foundation. The commitment by the Foundation is an intention to spend and is not included in the financial statements as at 31 December 2023. The commitment at 31 December 2023 was £192,000 (2022: £178,079) to develop and manage the Waltham Abbey site, all payable within one year and £147,000 (2022: £111,000) to fund Capital / Other Projects (exceptional expenditure). Additional funding is applied for and approved for additional intended purposes throughout 2024 where no commitment existed at 31 December 2023.

A Joint Project Board ("JPB") was established during FY21 by both The Waltham Abbey Gunpowder Mills Charitable Foundation trustees and directors of The Waltham Abbey Royal Gunpowder Mills Company Limited to provide senior collective leadership and in particular a long term strategy and associated financing for the site as a whole.

Waltham Abbey Royal Gunpowder Mills Friends Association ("Friends Association") is a Registered Charity (No: 1115237) and both Dr G Hooper and L Stuart are trustees of that Charity, in addition to being directors and trustees of The Waltham Abbey Royal Gunpowder Mills Company Limited. During the year donations were received from the Friends Association totalling £4,123 (2022: £14,500).

25. POST BALANCE SHEET EVENTS

At the Board meeting of 4 December 2023 it was decided that there would be a merger between the The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited and The Waltham Abbey Royal Gunpowder Mills Company Limited.

Under this model, the Waltham Abbey Royal Gunpowder Mills Charitable Foundation Ltd, the sole corporate trustee of the Foundation, would merge with the Operating Company. The Operating Company would be dissolved and its operational responsibilities taken on by the corporate trustee, with the Foundation holding the site and the Permanent Endowment.

The corporate trustee would adopt new Articles and be registered as a charity. It would also establish a trading subsidiary to enable it to carry out trading activity in the future.

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

26. SHARE CAPITAL

The charitable company is limited by guarantee and has no share capital.

Under the terms of the Memorandum of Association the liability of each member is limited to £1 in the event of the winding up of the charitable company.

27. HERITAGE ASSETS

Any assets owned by the Charitable Company that are held for contribution towards the nation's cultural and educational benefit are recognised as heritage assets in the financial statements in accordance with Financial Reporting Standard 102 - Module 18 (Heritage Assets) and FRS 102 SORP, which requires such assets to be reported in the Statement of Financial Position, where information is available, at cost or value with initial recognition of donated heritage assets at their fair value where practical.

For assets that existed at 31 December 2023 the trustees are of the view that valuation information cannot be obtained at a cost that is commensurate with the benefits to users of the financial statements, so a valuation approach is not practical and the trustees have consequently adopted a non-recognition approach in accordance with the provisions of the Standard.

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

England & Wales - Charity number 1062968

Accounts

REGISTERED COMPANY NUMBER: 3376501 (England and Wales)
REGISTERED CHARITY NUMBER: 1062968

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

Andorran Limited (Statutory Auditor)
Chartered Accountants
6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Gloucestershire
GL51 9TX

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2022**

TRUSTEES	C M Pemberton G S Browne D D Kent (resigned 27.1.22) Dr G Hooper F E A Baxter J Amador L Stuart A R Mciver J J Brown (resigned 9.5.23) J A Richardson R Lawes (appointed 29.3.23) P D Egan (appointed 27.2.23)
REGISTERED OFFICE	Column House London Road Shrewsbury Shropshire SY2 6NN
REGISTERED COMPANY NUMBER	3376501 (England and Wales)
REGISTERED CHARITY NUMBER	1062968
AUDITORS	Andorran Limited (Statutory Auditor) Chartered Accountants 6 Manor Park Business Centre Mackenzie Way Cheltenham Gloucestershire GL51 9TX
BANKERS	Barclays Bank Plc Wolverhampton
SOLICITORS	Todmans SRE Barringtons, Hockley Rd Rayleigh, Essex, SS6 8EH Devonshires LLP 30 Finsbury Circus London, EC2M 7DT
SENIOR MANAGEMENT TEAM	A Macdonald (appointed 1.7.23) Chief Executive H Hamlyn (resigned 12.7.23) Site Manager

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charitable company viewed 2022 as a year of transition as we emerged from under the cloak of the pandemic. The plan was to limit reopening of the visitor attraction to Sundays between Easter and October with occasional Bank Holidays. A reduced offering of activities on site delivered well as the site returned to a pre pandemic rhythm of welcoming the general public at the weekends. In addition, the education programme was marketed to schools with an internet-based programme to spare travel to site costs and Covid concerns. Work also quickly began in applying to the National Lottery Heritage Fund for assistance with rectifying severe building dilapidation of L157 while the site had been closed. During the course of the year, the Trustees were delighted to be awarded a National Heritage Memorial Fund grant of £420,575 to remedy the problems in L157. The grant income is accounted for in 2023 as certain pre-conditions contained within the grant guidance had to be complied with and satisfied, these were not in place by the end of the financial year 2022.

The charitable company is associated with The Waltham Abbey Royal Gunpowder Mills Charitable Foundation, a charitable foundation established to raise funds and manage an endowment for the long-term development and management of the Waltham Abbey site. The charitable company receives donations from the Foundation to enable it to carry out its functions. The Corporate Trustee of The Waltham Abbey Royal Gunpowder Mills Charitable Foundation is The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited, also the sole member of The Waltham Abbey Royal Gunpowder Mills Company Limited.

Volunteers

Volunteers began to return to the site in increasing numbers during the course of the year. Volunteers remain a valuable asset to the site providing support to staff in delivering a great visitor experience as well as the general running of the site. The Trustees are very grateful for the time given by volunteers during the year which amounted to 10,176 hours (2021: 5,737 hours).

Public Benefit

In shaping the Charitable Company's work, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. In addition to any grants received, the Charitable Company relies upon the income from admission fees and charges to cover its operating costs. In setting the level of admission fees, school programme charges, and concessions the trustees give careful consideration to the accessibility of the site for children and those on low incomes.

The entry charges reverted to the pre pandemic rate, but entrance price included access to the land train and railway which previously required the purchase of a separate ticket.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The site opened to the public in Easter 2022 and the company's principal objective was to reestablish the site as a well-run and interesting visitor attraction. It was hoped that 150/200 visitors could be attracted on open days. These numbers proved to be over optimistic. Investigations across the visitor attraction sector indicated that this was not a local but a national problem.

We were keen to restore our reputation with local schools as a value for money school trip which met the needs of the school curriculum. Mindful of ongoing concerns re Covid and challenging school budgets we continued to provide a flexible education offering to schools including remote learning using zoom and third-party providers as well as school visits to site. The programme was extended to include Gunpowder, Rocketry and the Royal Gunpowder Mills itself.

Property rentals were steady. Filming rentals were buoyant as the film industry as a whole enjoyed a speedy return to productivity.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

FINANCIAL REVIEW

Financial position

The net income for the period is detailed on page 10 in the Statement of Financial Activities.

The Trustees consider the following financial overview to supplement and support the Statement of Financial Activities:

Income

- During the year the charitable company received unrestricted funds of £202,638 from The Waltham Abbey Royal Gunpowder Mills Charitable Foundation ("The Foundation").
- The site was closed to the public from January to Easter 2022 and October 2022 to the end of the year. The transitional arrangements for 2022 were for the site to limit openings to Sundays only and occasional Bank Holidays as momentum rebuilt and both visitor and volunteer numbers strengthened. However, in common with the majority of visitor attractions, our visitor numbers remained disappointingly low.
- Site management worked hard to find alternative sources of revenue. In 2022, we contracted for the use of our car park Monday to Friday when the site was not open to the public. This raised £110,496.
- The Trustees were grateful to receive a payment of £32,025 following the national business continuity insurance test case.
- No Government grant support was receivable in 2022. During 2022, The Trustees began reaching out to various statutory bodies under the heading of "Restoring the Gunpowder Mills - sharing a rare heritage asset with the whole community" to judge likely support. In May 2022, a National Heritage Memorial Fund application and an Expression of Interest ("EOI") was prepared with the help of a professional bid writer. By the end of the year a substantial grant had been secured.

Expenditure

- A mid-year review of staff responsibilities led to three significant changes. The Maintenance role was upgraded to include wider responsibility for the facilities management of the site buildings and services. The Education and Outreach role was made permanent and the salary accordingly reviewed. Finally, a review of the Site Manager's responsibilities led to a salary review in recognition that the role had broadened.
- Estate costs saw a significant increase in 2022 as we were busy preparing the site for reopening Easter 2022, general activity plus undertaking catch up repairs and maintenance that was not done in the mothballed covid years. The 2022 Special Projects (unrestricted expenditure within Estate costs) fell into two broad categories. As mentioned, the first being playing catch up for activities not undertaken as a result of Covid in 2020 & 2021 and subsequent closure of the site eg lightening conductor remedials, legionella testing, site electrics upgrade and development of the attraction. The second category of Special Projects were directed towards the needs of visitors eg playground refurbishment, improved signage, and Covid prevention measures.

Investment policy and objectives

Under the Memorandum and Articles of Association, the Charitable Company has the power to make any investment which the trustees may think fit.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

FINANCIAL REVIEW

Reserves policy

Before the beginning of every year the directors and trustees carry out a detailed review of the Charitable Company's activities and produce income and expenditure budgets and cash flow forecasts for the ensuing year. Monthly management accounts and cash flow forecasts are prepared and actual performance against the budgets are monitored by the directors and trustees at Board meetings.

There were free reserves available at 31 December 2022 as demonstrated by net current assets of £20,252. The Charitable Company relies on the grants from the Foundation to fund its operating deficit. Monies are received from the Foundation on a cash-flow basis during the year, as needed, up to a sum determined by the annual budget which receives review and final approval by the Foundation. To date, deficit grant funding received to the end of August 2023 stands at £125,028 and development/capital grant funding received to the end of August 2023 stands at £50,095.

The Foundation has confirmed it will continue funding for at least 12 months at the date of approval of these financial statements.

FUTURE PLANS

As has previously been reported, over the years a number of plans have been considered to raise the substantial sum of money required for sympathetically conserving, preserving and development of the site's potential. A Joint Project Board was established in 2021 to develop a shared vision for the future of the site. This has been achieved and the Joint Project Board now wish to share outline plans for the future with stakeholders and assess their level of support. The Joint Project Board has been subsumed into the Waltham Abbey Royal Gunpowder Mills Company and regularly meets. Rosanna Lawes has joined the Company Board to speed the development of a solution. Andrew Macdonald who was formerly a member of the Waltham Abbey Royal Gunpowder Foundation resigned from that Board on 15 May 2023 and became an employee of the Foundation to enable him to take a position of Chief Executive of the Company to drive the project and site development forward. Andrew was also briefly appointed to The Waltham Abbey Royal Gunpowder Mills Company Limited Board of Trustees on 29 March 2023 but also resigned on 31 May 2023 to take up his position as Chief Executive as detailed.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Waltham Abbey Royal Gunpowder Mills Company Limited is currently limited by guarantee (company number 3376501) and is a registered charity (number 1062968). Its governing document is the Memorandum and Articles of Association.

A Special Resolution was passed in October 2021 and revised Memorandum and Articles of Association was adopted to take account of the changes in governance arrangements with the Foundation. A further Special Resolution was passed in March 2023 and revised Memorandum and Articles of Association to take account of trustee governance changes.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The Sole Member of the Charitable Company is The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited.

The number of trustees shall not be less than two and not more than 20. Following the resignation of 3 trustees in 2021 because of pressure of work, steps were taken at the end of 2022 to recruit an additional Trustee and Peter Egan joined the Company in February 2023. Peter brings a breadth of experience as a Trustee in general and in particular as a Chartered Engineer with a military background.

As set out in the Articles of Association, at every Annual General Meeting one quarter of the directors and trustees retire by rotation and may if willing to act be reappointed. The 2023 AGM will be held in November 2023 and 3 Trustees will retire and 1 will be confirmed in post. The Articles state that the Chairman of The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited shall always be a Director and Trustee by virtue of his office. The Chairman of the Friends or Supporters Association established to support The Waltham Abbey Royal Gunpowder Mills Company Limited is a director and trustee per the Articles. The Articles state that each of the organisations; Essex County Council, Lee Valley Regional Park Authority, Epping Forest District Council and Waltham Abbey Town Council may appoint a Trustee to attend Board Meetings.

Organisational structure

The board of directors and trustees which meets regularly to administer the Charitable Company. Day-to-day operations of the Charitable Company are managed by a permanent staff of 5.6 FTE supported by casual employees and volunteers.

The trustees delegate day-to-day management of the charitable company to a Site Manager appointed at the end of 2021. This post holder has now resigned and a replacement will be sought. A newly appointed Chief Executive will assume the Trustee delegated authority.

Recruitment, induction and training trustees

The Charitable Company keeps its skill set and diversity under review and sources trustees for particular areas of expertise.

New trustees are briefed on their legal obligations under Charity and Company Law, the committee and decision making processes, the business plan and recent financial performances of the charitable company.

Key management remuneration

The trustees and the Site Manager comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis. All trustees are unpaid.

Principal risks and uncertainties

The trustees take risks very seriously in managing a site with many hazards. The principal risk to our activities arises from the continued uncertainty regarding the future funding for conservation and preservation. The Joint Project Board was charged with finding potential sources of significant levels of funding and informal conversations with Stakeholders are planned to identify potential blocks and resistance to development of parts of the site to raise capital. Grant applications continue to be made and the site has received much valuable advice from statutory bodies. Visitor headcount is significantly below the pre COVID level and while this influences the Trustees discussions about the visitor offering, we recognise it is a UK wide problem for visitor attractions and is as a result of matters Trustees have little control over.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Waltham Abbey Royal Gunpowder Mills Company Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

AUDITORS

The auditors, Andorran Limited (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 21 September 2023 and signed on its behalf by:



F E A Baxter - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

Opinion

We have audited the financial statements of The Waltham Abbey Royal Gunpowder Mills Company Limited (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditor that includes our opinion. Reasonable assurance is a high level of assurance, but it 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.

Owing to the inherent limitations of an audit, there is an unavoidable risk that, despite us planning and performing our audit in accordance with auditing standards, one or more material misstatements in the financial statements may have gone undetected by our audit. As with any audit, there is a risk that irregularities and fraud will go undetected where they involve matters such as misrepresentations from management, collusion, deliberate omissions and override of controls. It is not the role of the auditor to prevent non-compliance and we cannot be expected to detect every instance of non-compliance with all laws and regulations.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiries of management including a pre audit meeting;
- obtaining and reviewing supporting documentation of policies concerning the laws and regulations applicable to the charitable company's activities;
- understanding how the charitable company complies with its regulatory framework by making enquiries of management ;
- considering the culture inherent in the charitable company and whether this represents a culture of honesty and ethical behaviour with a strong emphasis of detection and prevention of fraud.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

Auditors' responsibilities for the audit of the financial statements - continued

We assessed the susceptibility of the charitable company's financial statements to material misstatement and considered how fraud might occur. The audit procedures performed included, but were not limited to:

- challenging management assumptions and estimates;
- identifying and testing unusual journal entries;
- assessing how the relevant laws and regulations have been complied with and noting any instances of non compliance;
- reviewing the financial statements for compliance with relevant Accounting Standards and accounting legislation applicable to a charitable company;
- considering how those charged with governance have addressed the possibility of an override of essential controls or other influence over the financial reporting processes.

In addition, we also considered other non financial laws relevant to the charitable company. These do not necessarily have a direct influence on the financial statements but might affect the charitable company's ability to operate.

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 Report of the Independent Auditors.

Use of our report

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



Roger Downes FCA (Senior Statutory Auditor)
for and on behalf of Andorran Limited (Statutory Auditor)
Chartered Accountants
6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Gloucestershire
GL51 9TX

25 September 2023

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Unrestricted funds £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	4	208,045	10,000	218,045	196,901
Charitable activities					
Operation of Waltham Abbey Royal Gunpowder Mills	6	37,787	-	37,787	2,617
Miscellaneous income		227,646	-	227,646	99,785
Other trading activities	5	5,512	-	5,512	1,609
Other income	7	-	-	-	116,641
Total		<u>478,990</u>	<u>10,000</u>	<u>488,990</u>	<u>417,553</u>
EXPENDITURE ON					
Commercial trading operation costs	8	55,911	-	55,911	62,979
Charitable activities					
Costs of Operation of Waltham Abbey Royal Gunpowder Mills	9	590,617	6,010	596,627	518,048
Total		<u>646,528</u>	<u>6,010</u>	<u>652,538</u>	<u>581,027</u>
NET INCOME/(EXPENDITURE)		(167,538)	3,990	(163,548)	(163,474)
RECONCILIATION OF FUNDS					
Total funds brought forward		4,481,710	18,032	4,499,742	4,663,216
TOTAL FUNDS CARRIED FORWARD		<u><u>4,314,172</u></u>	<u><u>22,022</u></u>	<u><u>4,336,194</u></u>	<u><u>4,499,742</u></u>

The notes form part of these financial statements

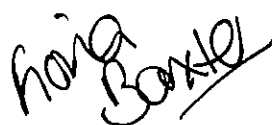
**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2022**

	Notes	Unrestricted funds £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
FIXED ASSETS					
Tangible assets	17	4,303,920	12,022	4,315,942	4,480,097
CURRENT ASSETS					
Stocks	18	5,394	-	5,394	4,514
Debtors	19	53,111	-	53,111	29,937
Cash at bank and in hand		33,449	10,000	43,449	35,189
		<u>91,954</u>	<u>10,000</u>	<u>101,954</u>	<u>69,640</u>
CREDITORS					
Amounts falling due within one year	20	(81,702)	-	(81,702)	(49,995)
		<u>10,252</u>	<u>10,000</u>	<u>20,252</u>	<u>19,645</u>
NET CURRENT ASSETS					
		<u>10,252</u>	<u>10,000</u>	<u>20,252</u>	<u>19,645</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>4,314,172</u>	<u>22,022</u>	<u>4,336,194</u>	<u>4,499,742</u>
NET ASSETS					
		<u>4,314,172</u>	<u>22,022</u>	<u>4,336,194</u>	<u>4,499,742</u>
FUNDS					
	22			4,314,172	4,481,710
Unrestricted funds				22,022	18,032
Restricted funds				<u>4,336,194</u>	<u>4,499,742</u>
TOTAL FUNDS					

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 21 September 2023 and were signed on its behalf by:



F E A Baxter - Trustee

The notes form part of these financial statements

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. CHARITY INFORMATION

The Charity is a company limited by guarantee (company number: 3376501 England and Wales) and a charity registered with the Charity Commission in England and Wales (charity number: 1062968). The registered office is The Waltham Abbey Royal Gunpowder Mills Company Limited, Column House, London Road, Shrewsbury, Shropshire, SY2 6NN.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The site was closed to the Public from January to Easter 2022 and from October 2022 to the end of the financial year. As detailed in the Report of the Trustees, the Charitable Company ("the Charity") was fortunate with a couple of non-recurring income streams during 2022 to boost income levels and support the increased cost base from the previous financial year.

The Charity has prepared budgets for the financial year to 31 December 2023 that show an operational deficit of £178,079 (in addition to Special Project funding budgeted £89,000). Projections have also been prepared for the 9 month period ending 30 September 2024 that show an operational deficit of £128,712 (in addition to Special Project funding budgeted £30,000). As set out in note 24 to these financial statements, the Charity, as in previous years, is reliant upon the continued support of The Waltham Abbey Royal Gunpowder Mills Foundation ("The Foundation") to provide discretionary funds to make good operational deficits. The Foundation has provided written confirmation of financial support for the period to the end of December 2024, thus a minimum of 12 months post approval of the FY22 financial statements.

There is no indication that The Foundation will not provide financial support towards the operational deficit beyond 31 December 2024. As a result of these commitments, the Board of the Charity considers the Charitable Company to be a going concern and has prepared these financial statements on that basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES - continued

Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

The Board of Trustees reviewed the split of costs during the year ended 31 December 2022 and have compared against the 2021 figures accordingly. In particular, Governance costs (Support) were reviewed in line with the SORP and it was agreed to include 10% of the accountancy fees (2021: 10%) (in relation to year end procedures) and 100% of the audit costs (2021: 100%).

The Board of Trustees considers the allocation of costs in proportion of Admissions income compared to Retail income for the year under review. For the year to 31 December 2022, Admissions income was calculated as 87% (2021: 75%) and Retail income 13% (2021: 25%). This split is then applied to Retail (Commercial Trading Operation Costs) and the Heritage Site, after considering if any of the expenditure falls within the SORP guidance for 'Governance'.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 50 years
Exhibition costs	- 5 years
Plant and machinery	- 5 years

For the years up to 31 December 2021, individual fixed asset additions costing £1,250 or less were not capitalised unless they were part of a specific project or exhibition and the total expenditure exceeded £1,250 overall.

For FY22, the directors have considered and revised the internal capitalisation policy. Accordingly, all expenditure commencing 1 January 2022 is now written off to the Statement of Financial Activities as incurred, regardless of individual or project spend.

For the reasons stated in note 26, the historic exhibits owned by the charity have not been capitalised.

Stocks

Stock is included at the lower of cost or net realisable value.

Taxation

The charitable company is exempt from corporation tax on its charitable activities.

Fund accounting

The unrestricted general fund held by the charitable company can be used in accordance with the charitable objects at the discretion of the directors and trustees. Further explanation of the nature and purpose of the fund is included in note 22 to these financial statements.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Charitable Company's accounting policies, the directors/trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of Estimation Uncertainty

Depreciation

Depreciation of tangible fixed assets is based on the Charity's judgement of their useful economic lives and residual values.

The depreciation rates used are disclosed in the tangible fixed asset accounting policy within note 2 and the carrying value of the assets is disclosed in note 17.

Allocation and apportionment of costs

Costs are allocated based on the percentage split of Income between 'Admissions' and 'Retail' for FY22 and split across the various Activities of the charity. Further information is disclosed within note 2.

4. DONATIONS AND LEGACIES

	31.12.22	31.12.21
	£	£
Donations	15,407	4,299
Grants from Waltham Abbey Royal Gunpowder Mills Charitable Foundation	202,638	192,602
	<u>218,045</u>	<u>196,901</u>

5. OTHER TRADING ACTIVITIES

	31.12.22	31.12.21
	£	£
Commercial trading operations	<u>5,512</u>	<u>1,609</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. INCOME FROM CHARITABLE ACTIVITIES

		31.12.22	31.12.21
	Activity	£	£
Admission fees	Operation of Waltham Abbey Royal Gunpowder Mills	33,787	2,617
Grants	Operation of Waltham Abbey Royal Gunpowder Mills	4,000	-
Filming Rights etc	Miscellaneous income	227,646	99,785
		265,433	102,402

Included above under the Activity 'Miscellaneous income' is the following:

		31.12.22	31.12.21
		£	£
Filming Rights		141,791	47,313
Room Rental income (other)		50,656	47,569
Business Continuity Insurance claim		32,025	-
Functions		2,448	1,583
Corporate hospitality etc		726	3,320
		227,646	99,785

Grants received, included in the above, are as follows:

		31.12.22	31.12.21
		£	£
Epping Forest District Council		4,000	-

7. OTHER INCOME

		31.12.22	31.12.21
		£	£
Government grants		-	116,641

An analysis of Government grants is provided below:

		31.12.22	31.12.21
		£	£
Cultural Recovery Fund - Heritage Lottery		-	104,600
Coronavirus Job Retention Scheme		-	12,041
		-	116,641

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. COMMERCIAL TRADING OPERATION COSTS

Commercial trading operation costs

	31.12.22	31.12.21
	£	£
Staff costs	24,236	32,785
Insurance	3,973	6,597
Retail supplies	2,301	1,905
Estate and establishment costs	25,401	21,692
	<u>55,911</u>	<u>62,979</u>

9. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 10) £	Support costs (see note 11) £	Totals £
Costs of Operation of Waltham Abbey Royal Gunpowder Mills	<u>528,188</u>	<u>68,439</u>	<u>596,627</u>

10. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.12.22	31.12.21
	£	£
Staff costs	160,418	98,764
Insurance	26,298	19,883
Marketing	9,148	383
Estate costs	168,169	65,327
Special Projects - HLF	-	101,478
Depreciation	164,155	164,529
	<u>528,188</u>	<u>450,364</u>

11. SUPPORT COSTS

	Retail £	Heritage site £	Governance costs £	Totals £
Costs of Operation of Waltham Abbey Royal Gunpowder Mills	<u>2,796</u>	<u>59,016</u>	<u>6,627</u>	<u>68,439</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

Retail

	31.12.22	31.12.21
	Costs of Operation of Waltham Abbey Royal Gunpowder Mills	Total activities
	£	£
Accountancy fees	1,636	2,972
General office	1,160	1,239
	<u>2,796</u>	<u>4,211</u>

Heritage site

	31.12.22	31.12.21
	Costs of Operation of Waltham Abbey Royal Gunpowder Mills	Total activities
	£	£
Accountancy fees	10,828	8,957
Legal and professional fees	40,508	44,623
General office	7,680	3,734
	<u>59,016</u>	<u>57,314</u>

Governance costs

	31.12.22	31.12.21
	Costs of Operation of Waltham Abbey Royal Gunpowder Mills	Total activities
	£	£
Auditors' remuneration	5,168	4,700
Accountancy fees	1,459	1,459
	<u>6,627</u>	<u>6,159</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.22	31.12.21
	£	£
Auditors' remuneration	5,168	4,700
Depreciation - owned assets	164,155	164,529
	<u> </u>	<u> </u>

13. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 (2021: one trustee was reimbursed for recruitment advertising expenses paid personally totalling £575 for the position of Site Manager).

14. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	171,463	126,272
Social security costs	8,938	2,719
Other pension costs	4,253	2,558
	<u> </u>	<u> </u>
	<u>184,654</u>	<u>131,549</u>

No employee earned more than £60,000 per annum (2021: £nil).

The number of staff to whom retirement benefits are accruing under money purchase schemes is 6 (2021: 1).

The Key Management Personnel of the Charity for FY22 is considered to be the Site Manager alone. The total employee benefits of the key management personnel of the Charity were £40,107. The site was shut largely throughout FY21 and management of the site was outsourced accordingly.

The average monthly number of employees during the year was as follows:

	31.12.22	31.12.21
Administration and Operations	9	4
	<u> </u>	<u> </u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	196,901	-	196,901
Charitable activities			
Operation of Waltham Abbey Royal Gunpowder Mills	2,617	-	2,617
Miscellaneous income	99,785	-	99,785
Other trading activities	1,609	-	1,609
Other income	12,041	104,600	116,641
Total	<u>312,953</u>	<u>104,600</u>	<u>417,553</u>
EXPENDITURE ON			
Commercial trading operation costs	62,979	-	62,979
Charitable activities			
Costs of Operation of Waltham Abbey Royal Gunpowder Mills	410,560	107,488	518,048
Total	<u>473,539</u>	<u>107,488</u>	<u>581,027</u>
NET INCOME/(EXPENDITURE)	(160,586)	(2,888)	(163,474)
Transfers between funds	2,879	(2,879)	-
Net movement in funds	(157,707)	(5,767)	(163,474)
RECONCILIATION OF FUNDS			
Total funds brought forward	4,639,417	23,799	4,663,216
TOTAL FUNDS CARRIED FORWARD	<u>4,481,710</u>	<u>18,032</u>	<u>4,499,742</u>

**16. STATEMENT OF CHANGES IN RESOURCES APPLIED FOR FIXED ASSETS FOR COMPANY
USE**

	2022 £	2021 £
Net movement in funds for the year	(163,548)	(163,474)
Resources used for net acquisitions of tangible fixed assets	-	5,000
Net movement in funds available for future activities	<u>(163,548)</u>	<u>(168,474)</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. TANGIBLE FIXED ASSETS

	Long leasehold £	Exhibition costs £	Plant and machinery £	Totals £
COST				
At 1 January 2022 and 31 December 2022	7,606,948	1,014,236	420,484	9,041,668
DEPRECIATION				
At 1 January 2022	3,156,473	1,014,236	390,862	4,561,571
Charge for year	152,139	-	12,016	164,155
At 31 December 2022	3,308,612	1,014,236	402,878	4,725,726
NET BOOK VALUE				
At 31 December 2022	4,298,336	-	17,606	4,315,942
At 31 December 2021	4,450,475	-	29,622	4,480,097

18. STOCKS

	31.12.22 £	31.12.21 £
Finished goods	5,394	4,514

19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22 £	31.12.21 £
Trade debtors	8,336	4,243
Other debtors	10,000	-
VAT	8,488	-
Prepayments and accrued income	26,287	25,694
	<u>53,111</u>	<u>29,937</u>

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22 £	31.12.21 £
Trade creditors	53,955	25,060
Social security and other taxes	3,839	2,317
VAT	-	3,427
Other creditors	11,221	9,677
Accrued expenses	5,400	6,701
Deferred income	7,287	2,813
	<u>81,702</u>	<u>49,995</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.22 £	31.12.21 £
Within one year	2,450	2,400
Between one and five years	3,050	5,400
	<u>5,500</u>	<u>7,800</u>

22. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	4,481,710	(167,538)	4,314,172
Restricted funds			
Fire Alarm Upgrades	18,032	(6,010)	12,022
WARGM Friends Association	-	10,000	10,000
	<u>18,032</u>	<u>3,990</u>	<u>22,022</u>
TOTAL FUNDS	<u>4,499,742</u>	<u>(163,548)</u>	<u>4,336,194</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	478,990	(646,528)	(167,538)
Restricted funds			
Fire Alarm Upgrades	-	(6,010)	(6,010)
WARGM Friends Association	10,000	-	10,000
	<u>10,000</u>	<u>(6,010)</u>	<u>3,990</u>
TOTAL FUNDS	<u>488,990</u>	<u>(652,538)</u>	<u>(163,548)</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	4,639,417	(160,586)	2,879	4,481,710
Restricted funds				
Scheduled Monument Management Plan II	2,743	-	(2,743)	-
Fire Alarm Upgrades	24,042	(6,010)	-	18,032
Heritage Lottery Fund	(2,986)	3,122	(136)	-
	<u>23,799</u>	<u>(2,888)</u>	<u>(2,879)</u>	<u>18,032</u>
TOTAL FUNDS	<u>4,663,216</u>	<u>(163,474)</u>	<u>-</u>	<u>4,499,742</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	312,953	(473,539)	(160,586)
Restricted funds			
Fire Alarm Upgrades	-	(6,010)	(6,010)
Heritage Lottery Fund	104,600	(101,478)	3,122
	<u>104,600</u>	<u>(107,488)</u>	<u>(2,888)</u>
TOTAL FUNDS	<u>417,553</u>	<u>(581,027)</u>	<u>(163,474)</u>

Nature and purpose of Restricted Funds

Fire Alarm Upgrades

New Fire Alarm System installed at Waltham site in December 2019.

WARGM Friends Association

A donation was received for £10,000 from Waltham Abbey Royal Gunpowder Mills Friends Association (Registered Charity 1115237) in June 2022, £6,000 specifically towards buying new or refurbished playground equipment and the balance of £4,000 to be approved by the trustees of the WARGM Friends Association when to be utilised on specific projects.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

23. CONTINGENT LIABILITIES

Various funders retain the right to claw back grants should the use of funds not be in accordance with the terms of the grant. In the opinion of the trustees no such liability exists at the year-end.

24. RELATED PARTY DISCLOSURES

The Charitable Company is related to The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited, trustee of The Waltham Abbey Royal Gunpowder Mills Charitable Foundation ("the Foundation"), by virtue of a Management Agreement (for shared central services) and a Lease Agreement for the occupation of the Waltham Abbey site.

C M Pemberton is a director and trustee of both the Charitable Company and the Foundation.

The Charitable Company received donations from the Foundation of £202,638 (2021: £192,602) to support the development and management of the site and buildings at Waltham Abbey in accordance with the charitable objects of both the Charitable Company and the Foundation. The grant was split £90,546 (2021: £153,502) to cover the operational deficit funding and £112,092 (2021: £39,100) in relation to specific capital projects being funded which had been agreed at the financial year-end as committed expenditure. The £202,638 is disclosed within 'Donations and Legacies' and the specific funding for projects is recorded within 'Direct Costs of Charitable Activities' in the Statement of Financial Activities.

In addition, the Foundation made an expression of financial support to the Charitable Company, that is not binding on the Foundation. The commitment by the Foundation is an intention to spend and is not included in the financial statements as at 31 December 2022. The commitment at 31 December 2022 was £178,079 (2021: £229,301) to develop and manage the Waltham Abbey site, all payable within one year and £89,000 (2021: £95,000) to fund Capital / Other Projects (exceptional expenditure). The Foundation have also committed £22,000 Partnership Funding for FY23 in relation to the L157 Building refurbishment taking place, in submissions to the grant funder for the project; National Heritage Memorial Fund ("NHMF").

A Joint Project Board ("JPB") was established during FY21 by both The Waltham Abbey Gunpowder Mills Charitable Foundation trustees and directors of The Waltham Abbey Royal Gunpowder Mills Company Limited to provide senior collective leadership and in particular a long term strategy and associated financing for the site as a whole.

Waltham Abbey Royal Gunpowder Mills Friends Association ("Friends Association") is a Registered Charity (No: 1115237) and both Dr G Hooper and L Stuart are trustees of that Charity, in addition to being directors and trustees of The Waltham Abbey Royal Gunpowder Mills Company Limited. During FY22, donations were received from the Friends Association totalling £14,500 (2021: £3,000), £10,000 of which are restricted within reserves for specific purposes (see note 22).

25. SHARE CAPITAL

The charitable company is limited by guarantee and has no share capital.

Under the terms of the Memorandum of Association the liability of each member is limited to £1 in the event of the winding up of the charitable company.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

26. HERITAGE ASSETS

Any assets owned by the Charitable Company that are held for contribution towards the nation's cultural and educational benefit are recognised as heritage assets in the financial statements in accordance with Financial Reporting Standard 102 - Module 18 (Heritage Assets) and FRS 102 SORP, which requires such assets to be reported in the Statement of Financial Position, where information is available, at cost or value with initial recognition of donated heritage assets at their fair value where practical.

For assets that existed at 31 December 2022 the trustees are of the view that valuation information cannot be obtained at a cost that is commensurate with the benefits to users of the financial statements, so a valuation approach is not practical and the trustees have consequently adopted a non-recognition approach in accordance with the provisions of the Standard.

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

England & Wales - Charity number 1062968

Accounts

REGISTERED COMPANY NUMBER: 3376501 (England and Wales)
REGISTERED CHARITY NUMBER: 1062968

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

Andorran Limited (Statutory Auditor)
Chartered Accountants
6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Gloucestershire
GL51 9TX

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2021**

TRUSTEES	C M Pemberton (appointed 8.10.21) G S Browne D D Kent (resigned 27.1.22) Dr G Hooper F E A Baxter J Amador (appointed 29.1.21) D Sims (resigned 22.1.21) L Stuart (appointed 19.3.21) A R Mciver (appointed 3.6.21) T L Reed (appointed 3.6.21) (resigned 18.10.21) J J Brown (appointed 3.6.21) P R Barnard (appointed 3.6.21) (resigned 20.10.21) J A Richardson (appointed 1.7.21)
REGISTERED OFFICE	Suite 4.07, Grosvenor House Central Park Telford Shropshire TF2 9TW
REGISTERED COMPANY NUMBER	3376501 (England and Wales)
REGISTERED CHARITY NUMBER	1062968
AUDITORS	Andorran Limited (Statutory Auditor) Chartered Accountants 6 Manor Park Business Centre Mackenzie Way Cheltenham Gloucestershire GL51 9TX
BANKERS	Barclays Bank Plc Wolverhampton
SOLICITORS	Todmans SRE Barringtons, Hockley Rd Rayleigh, Essex SS6 8EH Devonshires LLP 30 Finsbury Circus London, EC2M 7DT
SENIOR MANAGEMENT TEAM	H Hamlyn Site Manager

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charitable company's planned object for the year was to work towards a Covid safe transition from mothballed through opening safely one day a week plus Bank Holiday Mondays with a view to preparing to return to our pre Covid public offering as soon as the pandemic permitted. The site was awarded a Cultural Recovery Grant of £104,600 in December 2020 with a small window of opportunity to spend or forfeit by a given date. An interim General Manager was appointed to support staff during 2021 season. The grant was principally used to manage the security of the site following a serious trespass incident at the end of 2020, undertake emergency repairs to protect the site and its collections, and prepare areas for partial opening in 2021. A second grant was pursued later in 2021 without success.

The charitable company is associated with The Waltham Abbey Royal Gunpowder Mills Charitable Foundation, a charitable foundation established to raise funds and manage an endowment for the long-term development and management of the Waltham Abbey site. The charitable company receives donations from the Foundation to enable it to carry out its functions.

Volunteers

Following risk assessment, a small number of volunteers supported the site in specific activities primarily maintenance and security patrols, during the period of closure and the run up to reopening. A cautious plan was developed for opening the site in a covid safe manner first to volunteers and then to the public. Work was undertaken to risk assess at every stage of the ramp up to opening. The general public were admitted to the site and a limited number of our building using safe routes under the guidance of steward from May 2021.

Public Benefit

In shaping the Charitable Company's work, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. In addition to any grants received, the Charitable Company relies upon the income from admission fees and charges to cover its operating costs. In setting the level of admission fees, school programme charges, and concessions the trustees give careful consideration to the accessibility of the site for children and those on low incomes.

Because parts of the site remained out of bounds when visitors returned, the decision was taken to remove entry charge but instead ask for a donation from visitors. This was seen as a way to continue to market the site, to maintain our local profile and to provide a safe open air venue for local people for exercise during the pandemic.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The site was mothballed in June 2020 and managed by a skeleton staff assisted by a small number of volunteers. Work began in January 2021 to refresh and restore those areas of the site where risk assessment indicated that pedestrian traffic could flow safely when the site reopened. The plan was to open sequentially with small groups to ensure Covid compliance and work towards being open every Sunday and Bank Holiday Monday in the period May - late summer bank holiday. The site was able to open on most of the planned days, but volunteer numbers were often challenging.

Simultaneously work was undertaken to continue to provide our education offering to schools by developing remote learning using zoom and third party providers who would have visited schools on behalf of RGM. It should be noted that schools have been very hesitant to commit in any way throughout 2021.

Property rentals continued in this period with a new contract agreed with one tenant. Filming rentals were buoyant as the film industry very quickly changed their working practices to be covid safe and were self-reliant from use of our onsite facilities, and required only limited contact with our staff. They in turn appreciated the freedom that a large open site offered.

Site management worked hard to find alternative sources of revenue. Towards the end of the year an opportunity to rent our car park when the site was not open began to emerge and was secured in early 2022.

FINANCIAL REVIEW

Financial position

The net income for the period is detailed on page 10 in the Statement of Financial Activities.

During the year the charitable company received unrestricted funds of £192,602 from the Waltham Abbey Royal Gunpowder Mills Charitable Foundation ("the Foundation").

The site was closed to the public from January until May 2021, and from mid August 2021 to the end of the year. We operated a slow programme of opening parts of the site to limited numbers to test covid compliant routes. Visitor numbers even without an entry fee were disappointing.

Investment policy and objectives

Under the Memorandum and Articles of Association, the Charitable Company has the power to make any investment which the trustees may think fit.

Reserves policy

Before the beginning of every year the directors and trustees carry out a detailed review of the Charitable Company's activities and produce income and expenditure budgets and cash flow forecasts for the ensuing year. Monthly management accounts and cash flow forecasts are prepared and actual performance against the budgets are monitored by the directors and trustees at Board meetings.

There were free reserves available at 31 December 2021 as demonstrated by net current assets of £19,645. The Charitable Company relies on the grants from the Foundation to fund its operating deficit. Monies are received from the Foundation on a cash-flow basis during the year, as needed, up to a sum determined by the annual budget which receives review and final approval by the Foundation. To date, deficit grant funding received to the end of July 2022 stands at £67,689. To date, development/capital grant funding received to the end of July 2022 stands at £6,250.

The Foundation has confirmed to continue funding for at least 12 months commencing January 2023.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

FUTURE PLANS

It was hoped that the site would reopen to visitors from Easter 2021 for one day per week and build towards pre covid levels as the vaccination programme rolled out. This has not been the case. The Visitor Attraction Group and the Health, Safety and Security Committee undertook a review of those buildings and attractions which could safely be offered to the public and had sufficient volunteers to provide a stewarding service. COVID safe routes were developed around all visitor attraction buildings. Some buildings will remain closed as they have since mothballing.

Over the years a number of plans have been considered to raise the substantial sum of money required for sympathetically conserving, preserving and developing the sites potential. It was agreed during 2021 that the Foundation Charity Trustees and the Operating Company Trustees would form a Joint Project Board to develop a shared vision for the future of the site. Terms of reference were agreed and work began in July 2021. A vision for the site was developed and agreed by both boards. The Joint Project Board meet monthly and have an outline plan of work.

We have been fortunate to receive visits and support from Historic England and a number of professional organisations proving the high level of interest in the site. its buildings and collections.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Waltham Abbey Royal Gunpowder Mills Company Limited is currently limited by guarantee (company number 3376501) and is a registered charity (number 1062968). Its governing document is the Memorandum and Articles of Association.

A Special Resolution was passed in October 2021 and revised Memorandum and Articles of Association was adopted to take account of the changes in governance arrangements with the Foundation.

Recruitment and appointment of new trustees

The Sole Member of the Charitable Company is The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited.

The number of trustees shall not be less than two and not more than 20. Sadly during 2021 we lost 3 trustees because of pressure of work. They had brought a wealth of experience of the world of heritage and visitor attractions. The Trustees are considering mounting a further recruitment campaign.

As set out in the Articles of Association, at every Annual General Meeting one quarter of the directors and trustees retire by rotation and may if willing to act be reappointed. In 2021 Dr Geoff Hooper and Fiona Baxter both resigned and offered themselves for re-election. This was confirmed and Dr Geoff Hooper was appointed as Vice Chair and Fiona Baxter as Chair. The Articles state that the Chairman of The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited shall always be a Director and Trustee by virtue of his office. The Chairman of the Friends or Supporters Association established to support The Waltham Abbey Royal Gunpowder Mills Company Limited is a director and trustee per the Articles. The Articles state that each of the organisations; Essex County Council, Lee Valley Regional Park Authority, although public bodies today typically appoint representatives rather than trustees. Representatives of The Epping Forest District Council and Waltham Abbey Town Council regularly attend Board Meetings and offer advice and support.

Organisational structure

The board of directors and trustees which meets regularly to administer the Charitable Company. Day-to-day operations of the Charitable Company are managed by a permanent staff of 4.6 FTE supported by casual employees and volunteers.

The trustees delegate day-to-day management of the charitable company to a Site Manager appointed at the end of 2021. A small group of Trustees provide extra support to the operations as required. Funding for two additional roles was agreed by the Foundation for 2022.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment, induction and training trustees

The Charitable Company keeps its skill set and diversity under review and sources trustees for particular areas of expertise by open recruitment.

New trustees are briefed on their legal obligations under Charity and Company Law, the committee and decision making processes, the business plan and recent financial performances of the charitable company.

Key management remuneration

The trustees and the Site Manager comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All trustees are unpaid. During 2021 the Trustees took the decision to introduce the London Living Wage as the minimum level of salary paid to staff.

Principal risks and uncertainties

The trustees take risks very seriously in managing a site with many hazards. The principal risk to our activities arises from the continued uncertainty regarding the future shape of the site which affects our planning. The Joint Project Board are charged with finding us funding now that a vision has been agreed. Meanwhile grant applications continue to be made and £4,000 was recently granted by Essex County Council and two other very significant sums are being actively pursued. COVID 19 continues to be somewhat of a risk but work arounds are being developed to rekindle our relationships with schools and launch our plans to move into secondary schools. Although headcount is increasing it is still significantly below the pre COVID level.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Waltham Abbey Royal Gunpowder Mills Company Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

AUDITORS

The auditors, Andorran Limited (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 22 September 2022 and signed on its behalf by:

A handwritten signature in black ink that reads "Fiona Baxter". The signature is written in a cursive style with a horizontal line underlining the name.

F E A Baxter - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

Opinion

We have audited the financial statements of The Waltham Abbey Royal Gunpowder Mills Company Limited (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditor that includes our opinion. Reasonable assurance is a high level of assurance, but it 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.

Owing to the inherent limitations of an audit, there is an unavoidable risk that, despite us planning and performing our audit in accordance with auditing standards, one or more material misstatements in the financial statements may have gone undetected by our audit. As with any audit, there is a risk that irregularities and fraud will go undetected where they involve matters such as misrepresentations from management, collusion, deliberate omissions and override of controls. It is not the role of the auditor to prevent non-compliance and we cannot be expected to detect every instance of non-compliance with all laws and regulations.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiries of management including a pre audit meeting;
- obtaining and reviewing supporting documentation of policies concerning the laws and regulations applicable to the charitable company's activities;
- understanding how the charitable company complies with its regulatory framework by making enquiries of management ;
- considering the culture inherent in the charitable company and whether this represents a culture of honesty and ethical behaviour with a strong emphasis of detection and prevention of fraud.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

Auditors' responsibilities for the audit of the financial statements - continued

We assessed the susceptibility of the charitable company's financial statements to material misstatement and considered how fraud might occur. The audit procedures performed included, but were not limited to:

- challenging management assumptions and estimates;
- identifying and testing unusual journal entries;
- assessing how the relevant laws and regulations have been complied with and noting any instances of non compliance;
- reviewing the financial statements for compliance with relevant Accounting Standards and accounting legislation applicable to a charitable company;
- considering how those charged with governance have addressed the possibility of an override of essential controls or other influence over the financial reporting processes.

In addition, we also considered other non financial laws relevant to the charitable company. These do not necessarily have a direct influence on the financial statements but might affect the charitable company's ability to operate.

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 Report of the Independent Auditors.

Use of our report

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



Roger Downes FCA (Senior Statutory Auditor)
for and on behalf of Andorran Limited (Statutory Auditor)
Chartered Accountants
6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Gloucestershire
GL51 9TX

Date: 23 September 2022

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Unrestricted fund £	Restricted funds £	31.12.21 Total funds £	31.12.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	4	196,901	-	196,901	108,775
Charitable activities					
Operation of Waltham Abbey Royal Gunpowder Mills	6	2,617	-	2,617	30,643
Miscellaneous income		99,785	-	99,785	102,234
Other trading activities	5	1,609	-	1,609	1,468
Other income	7	12,041	104,600	116,641	63,518
Total		<u>312,953</u>	<u>104,600</u>	<u>417,553</u>	<u>306,638</u>
EXPENDITURE ON					
Commercial trading operation costs	8	62,979	-	62,979	13,015
Charitable activities					
Costs of Operation of Waltham Abbey Royal Gunpowder Mills	9	410,560	107,488	518,048	493,860
Total		<u>473,539</u>	<u>107,488</u>	<u>581,027</u>	<u>506,875</u>
NET INCOME/(EXPENDITURE)		<u>(160,586)</u>	<u>(2,888)</u>	<u>(163,474)</u>	<u>(200,237)</u>
Transfers between funds	22	2,879	(2,879)	-	-
Net movement in funds		<u>(157,707)</u>	<u>(5,767)</u>	<u>(163,474)</u>	<u>(200,237)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		4,639,417	23,799	4,663,216	4,863,453
TOTAL FUNDS CARRIED FORWARD		<u><u>4,481,710</u></u>	<u><u>18,032</u></u>	<u><u>4,499,742</u></u>	<u><u>4,663,216</u></u>

The notes form part of these financial statements

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021**

	Notes	Unrestricted fund £	Restricted funds £	31.12.21 Total funds £	31.12.20 Total funds £
FIXED ASSETS					
Tangible assets	17	4,462,065	18,032	4,480,097	4,639,626
CURRENT ASSETS					
Stocks	18	4,514	-	4,514	6,074
Debtors	19	29,937	-	29,937	46,227
Cash at bank and in hand		35,189	-	35,189	26,908
		<u>69,640</u>	<u>-</u>	<u>69,640</u>	<u>79,209</u>
CREDITORS					
Amounts falling due within one year	20	(49,995)	-	(49,995)	(55,619)
		<u>19,645</u>	<u>-</u>	<u>19,645</u>	<u>23,590</u>
NET CURRENT ASSETS					
		<u>19,645</u>	<u>-</u>	<u>19,645</u>	<u>23,590</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>4,481,710</u>	<u>18,032</u>	<u>4,499,742</u>	<u>4,663,216</u>
NET ASSETS					
		<u>4,481,710</u>	<u>18,032</u>	<u>4,499,742</u>	<u>4,663,216</u>
FUNDS					
	22			4,481,710	4,639,417
Unrestricted funds				18,032	23,799
Restricted funds				<u>4,499,742</u>	<u>4,663,216</u>
TOTAL FUNDS					
				<u>4,499,742</u>	<u>4,663,216</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 22 September 2022 and were signed on its behalf by:



F E A Baxter - Trustee

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	31.12.21 £	31.12.20 £
Cash flows from operating activities			
Cash generated from operations	1	13,281	(51,363)
Net cash provided by/(used in) operating activities		<u>13,281</u>	<u>(51,363)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,000)	-
Sale of tangible fixed assets		-	750
Net cash (used in)/provided by investing activities		<u>(5,000)</u>	<u>750</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		8,281	(50,613)
Cash and cash equivalents at the end of the reporting period		26,908	77,521
		<u>35,189</u>	<u>26,908</u>

The notes form part of these financial statements

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.21 £	31.12.20 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(163,474)	(200,237)
Adjustments for:		
Depreciation charges	164,529	166,889
Profit on disposal of fixed assets	-	(750)
Decrease in stocks	1,560	956
Decrease in debtors	16,290	13,366
Decrease in creditors	(5,624)	(31,587)
	<u>13,281</u>	<u>(51,363)</u>
Net cash provided by/(used in) operations	<u><u>13,281</u></u>	<u><u>(51,363)</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank and in hand	26,908	8,281	35,189
	<u>26,908</u>	<u>8,281</u>	<u>35,189</u>
	<u>26,908</u>	<u>8,281</u>	<u>35,189</u>
Total	<u><u>26,908</u></u>	<u><u>8,281</u></u>	<u><u>35,189</u></u>

The notes form part of these financial statements

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. CHARITY INFORMATION

The Charity is a company limited by guarantee (company number: 3376501 England and Wales) and a charity registered with the Charity Commission in England and Wales (charity number: 1062968). The registered office is The Waltham Abbey Royal Gunpowder Mills Company Limited, Suite 4.07, Grosvenor House, Central Park, Telford, Shropshire, TF2 9TW.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

As a result of Covid-19, the site was mothballed in April 2020 and did not reopen again that year, nor in any meaningful way during 2021. This has had a significant negative impact on income. Despite mitigating cost reductions and increased income generating activity during 2022, the site is currently incurring an annual operating loss.

The Charitable Company ("the Charity") has prepared budgets for the financial year to 31 December 2022 that show an operational deficit of £229,301 (in addition to Special Project funding budgeted £95,000).. Projections have also been prepared for the 9 month period ending September 2023 that show an operational deficit of £206,480 (in addition to Special Project funding budgeted £94,000). As set out in note 24 to these financial statements, the Charity, as in previous years, is reliant upon the continued support of The Waltham Abbey Royal Gunpowder Mills Foundation ("The Foundation") to provide discretionary funds to make good operational deficits. The Foundation has provided written confirmation of financial support for the period to the end of December 2023, thus a minimum of 12 months post approval of the FY21 financial statements.

There is no indication that The Foundation will not provide financial support towards the operational deficit beyond 31 December 2023. As a result of these commitments, the Board of the Charity considers the Charitable Company to be a going concern and has prepared these financial statements on that basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES - continued

Allocation and apportionment of costs

The Board of Trustees reviewed the split of costs during the year ended 31 December 2021 and have compared against the 2020 figures accordingly. In particular, Governance costs (Support) were reviewed in line with the SORP and it was agreed to include 10% of the accountancy fees (2020: 10%) (in relation to year end procedures) and 100% of the audit costs (2020: 100%).

The Board of Trustees considers the allocation of costs in proportion of Admissions income compared to Retail income for the year under review. For the year to 31 December 2021, Admissions income was calculated as 75% (2020: 96%) and Retail income 25% (2020: 4%). This split is then applied to Retail (Commercial Trading Operation Costs) and the Heritage Site, after considering if any of the expenditure falls within the SORP guidance for 'Governance'.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 50 years
Exhibition costs	- 5 years
Plant and machinery	- 5 years

Assets under construction are not depreciated until they become operational. Individual fixed asset additions costing £1,250 or less are not capitalised unless they are part of a specific project or exhibition and the total expenditure will exceed £1,250 overall. For the reasons stated in note 27, the historic exhibits owned by the charity have not been capitalised.

Stocks

Stock is included at the lower of cost or net realisable value.

Taxation

The charitable company is exempt from corporation tax on its charitable activities.

Fund accounting

The unrestricted general fund held by the charitable company can be used in accordance with the charitable objects at the discretion of the directors and trustees. Further explanation of the nature and purpose of the fund is included in note 22 to these financial statements.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Charitable Company's accounting policies, the directors/trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - continued

Key sources of Estimation Uncertainty

Depreciation

Depreciation of tangible fixed assets is based on the Charity's judgement of their useful economic lives and residual values.

The depreciation rates used are disclosed in the tangible fixed asset policy within note 1 and the carrying value of the assets are disclosed in 16.

Allocation and apportionment of costs

Costs are allocated based on the percentage split of Income between 'Admissions' and 'Retail' for FY21 and split across the various Activities of the charity. Further information is disclosed within note 1.

4. DONATIONS AND LEGACIES

	31.12.21	31.12.20
	£	£
Donations	4,299	4,175
Grants from Waltham Abbey Royal Gunpowder Mills Charitable Foundation	192,602	104,600
	196,901	108,775
	196,901	108,775

5. OTHER TRADING ACTIVITIES

	31.12.21	31.12.20
	£	£
Commercial trading operations	1,609	1,468
	1,609	1,468
	1,609	1,468

6. INCOME FROM CHARITABLE ACTIVITIES

		31.12.21	31.12.20
	Activity	£	£
Admission fees	Operation of Waltham Abbey Royal Gunpowder Mills	2,617	30,643
Room rental etc	Miscellaneous income	99,785	102,234
		102,402	132,877
		102,402	132,877

Included above under the Activity 'Miscellaneous income' is the following:

		31.12.21	31.12.20
		£	£
Filming Rights		47,313	49,860
Room Rental income (other)		47,569	49,106
Functions		1,583	3,268
Corporate hospitality etc		3,320	-
		99,785	102,234
		99,785	102,234

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. OTHER INCOME

	31.12.21	31.12.20
	£	£
Gain on sale of tangible fixed assets	-	750
Government grants	116,641	62,768
	<u>116,641</u>	<u>63,518</u>

An analysis of Government grants is provided below:

	31.12.21	31.12.20
	£	£
Cultural Recovery Fund - Heritage Lottery	104,600	-
Coronavirus Job Retention Scheme	12,041	37,768
Coronavirus Hospitality for Business Rates	-	25,000
	<u>116,641</u>	<u>62,768</u>

8. COMMERCIAL TRADING OPERATION COSTS

Commercial trading operation costs

	31.12.21	31.12.20
	£	£
Staff costs	32,785	7,410
Insurance	6,597	586
Retail supplies	1,905	1,395
Estate and establishment costs	21,692	3,624
	<u>62,979</u>	<u>13,015</u>

9. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 10) £	Support costs (see note 11) £	Totals £
Costs of Operation of Waltham Abbey Royal Gunpowder Mills	<u>450,364</u>	<u>67,684</u>	<u>518,048</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. DIRECT COSTS OF CHARITABLE ACTIVITIES	31.12.21	31.12.20
	£	£
Staff costs	98,764	172,272
Insurance	19,883	14,064
Marketing	383	7,735
Estate costs	65,327	83,606
Special Projects - Scheduled Monument Management Plan I	-	(2,743)
Special Projects - Project repairs	-	9,360
Special Projects - HLF	101,478	2,986
Depreciation	164,529	166,889
	<u>450,364</u>	<u>454,169</u>

11. SUPPORT COSTS				
	Retail	Heritage	Governance	Totals
	£	site	costs	£
		£	£	
Costs of Operation of Waltham Abbey				
Royal Gunpowder Mills	<u>4,211</u>	<u>57,314</u>	<u>6,159</u>	<u>67,684</u>

Support costs, included in the above, are as follows:

Retail	31.12.21	31.12.20
	Costs of	
	Operation	
	of	
	Waltham	
	Abbey	
	Royal	
	Gunpowder	Total
	Mills	activities
	£	£
Accountancy fees	2,972	557
General office	1,239	177
	<u>4,211</u>	<u>734</u>

Heritage site	31.12.21	31.12.20
	Costs of	
	Operation	
	of	
	Waltham	
	Abbey	
	Royal	
	Gunpowder	Total
	Mills	activities
	£	£
Accountancy fees	8,957	12,834
Legal and professional fees	44,623	13,713
	<u>53,580</u>	<u>26,547</u>
Carried forward	53,580	26,547

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. SUPPORT COSTS - continued

Heritage site - continued

	31.12.21	31.12.20
	Costs of Operation of Waltham Abbey Royal Gunpowder Mills £	Total activities £
Brought forward	53,580	26,547
General office	3,734	4,091
	<u>57,314</u>	<u>30,638</u>

Governance costs

	31.12.21	31.12.20
	Costs of Operation of Waltham Abbey Royal Gunpowder Mills £	Total activities £
Auditors' remuneration	4,700	6,860
Accountancy fees	1,459	1,459
	<u>6,159</u>	<u>8,319</u>

12. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.21	31.12.20
	£	£
Auditors' remuneration	4,700	6,860
Depreciation - owned assets	164,529	166,889
Surplus on disposal of fixed assets	-	(750)
	<u>169,229</u>	<u>172,999</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

One trustee was reimbursed for recruitment advertising expenses paid personally totalling £575 in August 2021 for the position of Site Manager. No expenses were paid for any trustees for the year ended 31 December 2020.

14. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	126,272	169,607
Social security costs	2,719	7,391
Other pension costs	2,558	2,684
	<u>131,549</u>	<u>179,682</u>
	<u>131,549</u>	<u>179,682</u>

No employee earned more than £60,000 per annum (2020: £nil).

The number of staff to whom retirement benefits are accruing under money purchase schemes is 1 (2020: 1).

For FY20, the Key Management Personnel of the charity comprised the Chief Officer (resigned June 2020) and total employee benefits of the key management personnel were £24,511. For FY21, the site was largely shut as a visitor attraction to the general public, due to Covid-19 restrictions, and no key management personnel were in office.

Wages and salaries includes £nil of Redundancy payments during the year (2020: £10,362).

The average monthly number of employees during the year was as follows:

	31.12.21	31.12.20
Administration and Operations	4	9
	<u>4</u>	<u>9</u>
	<u>4</u>	<u>9</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	108,775	-	108,775
Charitable activities			
Operation of Waltham Abbey Royal Gunpowder Mills	30,643	-	30,643
Miscellaneous income	102,234	-	102,234
Other trading activities	1,468	-	1,468
Other income	63,518	-	63,518
Total	<u>306,638</u>	<u>-</u>	<u>306,638</u>
EXPENDITURE ON			
Commercial trading operation costs	13,015	-	13,015
Charitable activities			
Costs of Operation of Waltham Abbey Royal Gunpowder Mills	478,247	15,613	493,860
Total	<u>491,262</u>	<u>15,613</u>	<u>506,875</u>
NET INCOME/(EXPENDITURE)	<u>(184,624)</u>	<u>(15,613)</u>	<u>(200,237)</u>
Transfers between funds	<u>(9,360)</u>	<u>9,360</u>	<u>-</u>
Net movement in funds	<u>(193,984)</u>	<u>(6,253)</u>	<u>(200,237)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>4,833,401</u>	<u>30,052</u>	<u>4,863,453</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>4,639,417</u></u>	<u><u>23,799</u></u>	<u><u>4,663,216</u></u>

**16. STATEMENT OF CHANGES IN RESOURCES APPLIED FOR FIXED ASSETS FOR COMPANY
USE**

	2021 £	2020 £
Net movement in funds for the year	(163,474)	(200,237)
Resources used for net acquisitions of tangible fixed assets	5,000	(4,000)
Net movement in funds available for future activities	<u><u>(168,474)</u></u>	<u><u>(196,237)</u></u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. TANGIBLE FIXED ASSETS

	Long leasehold £	Exhibition costs £	Plant and machinery £	Totals £
COST				
At 1 January 2021	7,606,948	1,014,236	415,484	9,036,668
Additions	-	-	5,000	5,000
At 31 December 2021	<u>7,606,948</u>	<u>1,014,236</u>	<u>420,484</u>	<u>9,041,668</u>
DEPRECIATION				
At 1 January 2021	3,004,334	1,013,560	379,148	4,397,042
Charge for year	152,139	676	11,714	164,529
At 31 December 2021	<u>3,156,473</u>	<u>1,014,236</u>	<u>390,862</u>	<u>4,561,571</u>
NET BOOK VALUE				
At 31 December 2021	<u>4,450,475</u>	-	<u>29,622</u>	<u>4,480,097</u>
At 31 December 2020	<u>4,602,614</u>	<u>676</u>	<u>36,336</u>	<u>4,639,626</u>

18. STOCKS

	31.12.21 £	31.12.20 £
Finished goods	<u>4,514</u>	<u>6,074</u>

19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21 £	31.12.20 £
Trade debtors	4,243	5,376
Other debtors	-	8,200
VAT	-	5,809
Prepayments and accrued income	25,694	26,842
	<u>29,937</u>	<u>46,227</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.12.21	31.12.20
	£	£
Trade creditors	25,060	27,608
Social security and other taxes	2,317	2,569
VAT	3,427	-
Other creditors	9,677	-
Accrued expenses	6,701	20,796
Deferred income	2,813	4,646
	<u>49,995</u>	<u>55,619</u>

21. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.21	31.12.20
	£	£
Within one year	2,400	2,400
Between one and five years	5,400	7,200
In more than five years	-	600
	<u>7,800</u>	<u>10,200</u>

22. MOVEMENT IN FUNDS

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	4,639,417	(160,586)	2,879	4,481,710
Restricted funds				
Scheduled Monument Management Plan II	2,743	-	(2,743)	-
Fire Alarm Upgrades	24,042	(6,010)	-	18,032
Heritage Lottery Fund	(2,986)	3,122	(136)	-
	<u>23,799</u>	<u>(2,888)</u>	<u>(2,879)</u>	<u>18,032</u>
TOTAL FUNDS	<u>4,663,216</u>	<u>(163,474)</u>	<u>-</u>	<u>4,499,742</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	312,953	(473,539)	(160,586)
Restricted funds			
Fire Alarm Upgrades	-	(6,010)	(6,010)
Heritage Lottery Fund	104,600	(101,478)	3,122
	<u>104,600</u>	<u>(107,488)</u>	<u>(2,888)</u>
TOTAL FUNDS	<u><u>417,553</u></u>	<u><u>(581,027)</u></u>	<u><u>(163,474)</u></u>

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	4,833,401	(184,624)	(9,360)	4,639,417
Restricted funds				
Scheduled Monument Management Plan I	-	2,743	(2,743)	-
Scheduled Monument Management Plan II	-	-	2,743	2,743
Project Repairs	-	(9,360)	9,360	-
Fire Alarm Upgrades	30,052	(6,010)	-	24,042
Heritage Lottery Fund	-	(2,986)	-	(2,986)
	<u>30,052</u>	<u>(15,613)</u>	<u>9,360</u>	<u>23,799</u>
TOTAL FUNDS	<u><u>4,863,453</u></u>	<u><u>(200,237)</u></u>	<u><u>-</u></u>	<u><u>4,663,216</u></u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	306,638	(491,262)	(184,624)
Restricted funds			
Scheduled Monument Management Plan I	-	2,743	2,743
Project Repairs	-	(9,360)	(9,360)
Fire Alarm Upgrades	-	(6,010)	(6,010)
Heritage Lottery Fund	-	(2,986)	(2,986)
	-	(15,613)	(15,613)
TOTAL FUNDS	<u>306,638</u>	<u>(506,875)</u>	<u>(200,237)</u>

Nature and purpose of Restricted Funds

Scheduled Monument Management Plan I

The project will produce a Management Plan for the Charity, focussing focussing on the area of the scheduled monument. The Plan will require an updating of the existing 1994 condition survey of the Royal Gunpowder Mills, a review of previous interventions and existing biodiversity management plans and surveys. The Plan then will identify priorities for repair and management under Countryside Stewardship, and consult with stakeholder to review and agree these priorities.

Scheduled Monument Management Plan II

The purpose of this Phase 2 PA2 at Waltham Abbey Royal Gunpowder Mills is to draw upon the Master Plan completed under Phase I of this project and complete a Schedule of Works and costings to inform repair/consolidation of the Scheduled structures prioritised in Phase I under a Countryside Stewardship HT agreement.

Project Repairs

Urgent repairs and maintenance works considered necessary to safeguard the site.

Fire Alarm Upgrades

New Fire Alarm System installed at Waltham site in December 2019.

Heritage Lottery Fund

Funding from the Cultural Recovery Fund and received a grant of £104,600. The funds were received during January and March 2021 and were principally applied towards pre-opening refurbishments, enhanced site security, cleaning and marketing.

Transfers between funds

Transfers are made between restricted and unrestricted funds at the end of every accounting period in cases where:-

- (i) The activity of the restricted fund has come to an end and there is an unspent balance that is not repayable to the funder(s), when the surplus is transferred to unrestricted funds; and
- (ii) the restricted fund is in deficit and has either come to an end or there is no prospect of a surplus in a later period, which the deficit is eliminated by transfer from unrestricted funds.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. MOVEMENT IN FUNDS - continued

Transfers between funds - continued

- (iii) to transfer the value of tangible fixed assets from restricted to unrestricted funds when the asset has been purchased from a restricted fund donation but is held for a general and not a restricted purpose.

23. CONTINGENT LIABILITIES

Various funders retain the right to claw back grants should the use of funds not be in accordance with the terms of the grant. In the opinion of the trustees no such liability exists at the year-end.

24. RELATED PARTY DISCLOSURES

The Charitable Company is related to The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited, trustee of The Waltham Abbey Royal Gunpowder Mills Charitable Foundation ("the Foundation"), by virtue of a Management Agreement (for shared central services) and a Lease Agreement for the occupation of the Waltham Abbey site.

The Charitable Company received donations from the Foundation of £192,602 (2020: £104,600) to support the development and management of the site and buildings at Waltham Abbey in accordance with the charitable objects of both the Charitable Company and the Foundation. The grant was split £153,502 (2020: £104,600) to cover the operational deficit funding and £39,100 (2020: £nil) in relation to specific capital projects being funded which had been agreed at the financial year-end as committed expenditure. The £192,602 is disclosed within 'Donations and Legacies' and the specific funding for projects is recorded within 'Direct Costs of Charitable Activities' in the Statement of Financial Activities.

In addition, the Foundation made an expression of financial support to the Charitable Company, that is not binding on the Foundation. The commitment by the Foundation is an intention to spend and is not included in the financial statements as at 31 December 2021. The commitment at 31 December 2021 was £229,301 (2020: £156,835) to develop and manage the Waltham Abbey site, all payable within one year and £95,000 to fund Capital / Other Projects (exceptional expenditure), subject to a funding bid review, all payable within one year.

A Joint Project Board ("JPB") had been established during the year by both The Waltham Abbey Royal Gunpowder Mills Charitable Foundation trustees and directors of The Waltham Abbey Royal Gunpowder Mills Company Limited to provide senior collective leadership and in particular a long term strategy and associated financing for the site as a whole. In September/October 2021, the JPB had asked the Foundation for a £50K budget for three phases of work envisaged; £10K facilitation, £15K for stakeholder engagement, £20K for Spatial Master-Planning and a £5K contingency. The Foundation had approved this funding as an expression of financial support to the JPB that is not binding on the Foundation.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

25. POST BALANCE SHEET EVENTS

In January 2022, the Charitable Company successfully submitted a Business Continuity Insurance claim application as a result of the Covid-19 Pandemic, covering the period March 2020 until June 2021. The Insurance claim proceeds of £32,026 were received in July 2022, including interest. Accordingly, the transaction has been recognised and accounted for under FRS 102 Section 32 as a 'Non-adjusting' Event on the basis no condition existed at the Balance Sheet date and therefore the income is recorded in full in FY22.

26. SHARE CAPITAL

The charitable company is limited by guarantee and has no share capital.

Under the terms of the Memorandum of Association the liability of each member is limited to £1 in the event of the winding up of the charitable company.

27. HERITAGE ASSETS

Any assets owned by the Charitable Company that are held for contribution towards the nation's cultural and educational benefit are recognised as heritage assets in the financial statements in accordance with Financial Reporting Standard 102 - Module 18 (Heritage Assets) and FRS 102 SORP, which requires such assets to be reported in the Statement of Financial Position, where information is available, at cost or value with initial recognition of donated heritage assets at their fair value where practical.

For assets that existed at 31 December 2021 the trustees are of the view that valuation information cannot be obtained at a cost that is commensurate with the benefits to users of the financial statements, so a valuation approach is not practical and the trustees have consequently adopted a non-recognition approach in accordance with the provisions of the Standard.

THE WALTHAM ABBEY ROYAL GUNPOWDER MILLS COMPANY LIMITED

England & Wales - Charity number 1062968

Accounts

REGISTERED COMPANY NUMBER: 3376501 (England and Wales)
REGISTERED CHARITY NUMBER: 1062968

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

Andorran Limited (Statutory Auditor)
Chartered Accountants
6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Gloucestershire
GL51 9TX

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2020**

TRUSTEES	Dr J M Freeman (Chairman until 22.8.20) (resigned 22.8.20) G S Browne (appointed 22.8.20) D D Kent Dr G Hooper F E A Baxter J Amador (appointed 29.1.21) D Sims (resigned 22.1.21) G K Paddan-White (resigned 11.7.20) L Stuart (appointed 19.3.21) A R Mciver (appointed 3.6.21) T L Reed (appointed 3.6.21) J J Brown (appointed 3.6.21) P R Barnard (appointed 3.6.21) J A Richardson (appointed 1.7.21)
REGISTERED OFFICE	Suite 4.07, Grosvenor House Central Park Telford Shropshire TF2 9TW
REGISTERED COMPANY NUMBER	3376501 (England and Wales)
REGISTERED CHARITY NUMBER	1062968
AUDITORS	Andorran Limited (Statutory Auditor) Chartered Accountants 6 Manor Park Business Centre Mackenzie Way Cheltenham Gloucestershire GL51 9TX
BANKERS	Barclays Bank Plc Wolverhampton
SOLICITORS	Todmans SRE Barringtons, Hockley Rd Rayleigh, Essex SS6 8EH Devonshires LLP 30 Finsbury Circus London, EC2M 7DT

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2020**

SENIOR MANAGEMENT TEAM J Malone
Interim General Manager

S Morris (resigned June 2020)
Chief Officer

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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) (effective 1 January 2019).

The Charitable Company is associated with The Waltham Abbey Royal Gunpowder Mills Charitable Foundation ("the Foundation"), a charitable foundation established to raise funds and manage an endowment for the long-term development and management of the Waltham Abbey site ("Royal Gunpowder Mills"). The Charitable Company receives donations from the Foundation to enable it to carry out its function of operating the site.

OBJECTIVES AND ACTIVITIES

Objectives and aims

As in previous years, the Charitable Company's planned objective for the year was to continue to develop and manage the site and collections of the Royal Gunpowder Mills for public benefit.

However, the COVID 19 Pandemic stopped all planned activity in early March 2020. In the following weeks a combination of the Foundation advising that it was unable to maintain anticipated contribution levels because of financial market volatility and the national lockdown stopped all ideas that normal activity would shortly resume. As a direct result, the planned objective for the year became to secure the long-term future of the site for the duration of these unprecedented times.

Volunteers

The Charitable Company actively encourages the local community, not just to enjoy, what has been described by Historic England as the "most important site for the history of explosives in Europe" together with its outstanding and unique natural beauty and wildlife, but to take part in its maintenance and development by participating as volunteers.

Volunteers are an invaluable resource to the site, however many were in that part of the population advised to self-isolate during the first national lockdown. The Charitable Company has worked hard to maintain contact with those self-isolating by the regular publication of a fulsome Newsletter keeping volunteers abreast of what has happened throughout the year. A small number of volunteers have continued to support the site in specific activities after the production of COVID risk assessments. The general volunteer population have featured heavily in the plans to reopen the site safely post-national lockdown by making use of their site knowledge to check that COVID safe plans for the general public to resume visiting the site are effective.

The trustees are very grateful and indebted to the time given by volunteers. The Royal Gunpowder Mills could not operate without them.

Public Benefit

In shaping the Charitable Company's work, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. In addition to any grants received, the Charitable Company relies upon the income from admission fees and charges to cover its operating costs. In setting the level of admission fees, school programme charges, and concessions the trustees give careful consideration to the accessibility of the site for children and those on low incomes.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The year began as normal with plans to improve service delivery to the visitor attraction, a review of the Scheduled Monument Management Plan prepared in 2019 and expansion of the successful Education programme for schools to Key Stage 2. In the turmoil of the early days of the pandemic, the decision was taken by the trustees to mothball the site until visitors would be permitted to return and furlough the majority of staff to bring expenditure, as near as possible to the level of available income. Midyear the Chief Officer left and a Management Committee of 3 trustees, later joined by 2 employees, was established for the day to day running of the closed site.

When it became obvious that the pandemic was going to continue into the future and employers would be required to absorb furlough labour costs, a restructuring and redundancy exercise was undertaken and the site moved to a headcount of 4 part time staff (2 FTE). Buildings were identified for lockdown, mains services disconnected where possible and plans drafted for security patrols of the closed site. Care of the wildlife and emergency repairs have been the main activities undertaken since.

Post-national lockdown some filming rentals have been possible thanks to the film industries COVID secure working practices. Whilst there have been no other income generating visits to the site, some outside areas of the site were reopened, on a free admission basis, to the general public for a limited number of Sundays during the summer of 2021, in order to help maintain the site's functionality.

FINANCIAL REVIEW

Financial position

The net income for the period after taxation is detailed on page 11 in the Statement of Financial Activities.

During the year the Charitable Company received unrestricted funds of £104,600 (2019: £190,108) from the Foundation towards the day-to-day costs of operating and maintain the site. The Charitable Company was also very grateful to receive a grant of £104,600 from the Cultural Recovery Fund post year-end which enabled the trustees to care for the site while mothballed, principally ensuring those areas planned to open to the public at Easter 2021 and in the summer were kept in good order.

Investment policy and objectives

Under the Memorandum and Articles of Association, the Charitable Company has the power to make any investment which the trustees may think fit.

Reserves policy

Before the beginning of every year the directors and trustees carry out a detailed review of the Charitable Company's activities and produce income and expenditure budgets and cash flow forecasts for the ensuing year. Monthly management accounts and cash flow forecasts are prepared and actual performance against the budgets are monitored by the directors and trustees at Board meetings.

There were free reserves available at 31 December 2020 as demonstrated by net current assets of £23,590. The Charitable Company relies on the grants from the Foundation to fund its operating deficit. Monies are received from the Foundation on a cash-flow basis during the year, as needed, up to a sum determined by the annual budget which receives review and final approval by the Foundation. To date, deficit grant funding received to the end of August 2021 stands at £105,550. To date, development/capital grant funding received to the end of August 2021 stands at £29,700.

The Foundation has confirmed to continue funding for at least 12 months commencing January 2022.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

FUTURE PLANS

In terms of the future reopening of the site to the general public, plans are currently being worked upon for the coming year with a reopening date of Easter 2022 envisaged. It is anticipated that an offsite and remote educational programme will commence prior to that, before also returning to the site post Easter. The site remains available for COVID secure filming rentals.

Over the years a number of plans have been considered to raise the substantial sum of money required for sympathetically conserving, preserving and developing the sites potential. The Foundation Charity Trustees and the Charitable Company Trustees have formed a Joint Project Board to develop a shared vision for the future of the site. Terms of reference have been drafted for a launch in autumn 2021. This is viewed as a significant and welcome advance in the life of the site.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Waltham Abbey Royal Gunpowder Mills Company Limited is currently limited by guarantee (company number 3376501) and is a registered charity (number 1062968). Its governing document is the Memorandum and Articles of Association.

A Special Resolution was passed in February 2020 and revised Memorandum and Articles of Association was adopted to take account of the changes in governance arrangements with the Foundation.

Recruitment and appointment of new trustees

The Sole Member of the Charitable Company is The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited.

The number of trustees shall not be less than two and not more than 20. Trustee numbers have been a concern for some time and sadly our Chair Dr Dave Sims died in January 2021. The loss of his knowledge and commitment to the site as well as his input to our Friends Association, which he chaired, was a severe blow. The Friends Association subsequently exercised their right for their Chair to join our Board of Trustees - see below. We have undertaken a recruitment campaign and have appointed 5 additional trustees. Our new trustees' backgrounds are Finance, IT, and Heritage. We consider our Board to now be well equipped for the challenges of a post pandemic world.

As set out in the Articles of Association, at every Annual General Meeting one quarter of the directors and trustees retire by rotation and may if willing to act be reappointed. No resignations were due in 2020. The Articles state that the Chairman of The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited shall always be a director and trustee by virtue of that office. The Chairman of the Friends or Supporters Association established to support The Waltham Abbey Royal Gunpowder Mills Company Limited is a director and trustee per the Articles. The Articles state that each of the organisations; Essex County Council, Lee Valley Regional Park Authority, Epping Forest District Council and Waltham Abbey Town Council; may appoint one trustee, although public bodies today typically appoint representatives rather than trustees. One representative of Epping Forest District Council is normally invited to Board meetings.

Organisational structure

The board of directors and trustees which meets regularly to administer the Charitable Company. Day-to-day operations of the Charitable Company are managed by a permanent staff of 3.6 FTE supported by casual employees and volunteers.

Since the end of 2020, the trustees have delegated day-to-day management of the Charitable Company to an interim part time General Manager. A small group of trustees provide extra support to the operations as required. It is the trustees' intention to recruit a full time senior role to the site in the near future.

Recruitment, induction and training trustees

The Charitable Company keeps its skill set and diversity under review and sources trustees for particular areas of expertise by open recruitment.

New trustees are briefed on their legal obligations under Charity and Company Law, the committee and decision making processes, the business plan and recent financial performances of the charitable company.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

The trustees and the interim General Manager comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charitable Company on a day to day basis. All trustees give of their time freely and no trustee received remuneration in the year. Details of trustees' expenses are disclosed in note 11 to the financial statements.

Principal risks and uncertainties

The trustees take risks very seriously in managing a site with many hazards and have a committee dedicated to identifying, monitoring and managing these risks and potential liabilities. The principal risk to resources and activities arises from the continued uncertainty regarding the future shape of the site which affects our planning. At the end of 2020 a number of Travellers illegally took up residence on our land. Steps were taken to evict and increase security measures including the introduction of security patrols. Security patrols have been on going because of the reduced level of activity and presence on site, an unexpected drain on resources. COVID 19 continues to be a risk to our ability to return to our normal provision of visitor services and thwarts our plans to grow our education offering to include secondary education. Our education programme has moved to Zoom-based but at reduced earning potential. The temporary organisation structure of 3.6 FTE currently restricts ability to open the site and provide anything other than a basic visitor experience beyond one day per week.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Waltham Abbey Royal Gunpowder Mills Company Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

AUDITORS


The auditors, Andorran Limited (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 02.09.21 and signed on its behalf by:



.....
F E A Baxter - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

Opinion

We have audited the financial statements of The Waltham Abbey Royal Gunpowder Mills Company Limited (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditor that includes our opinion. Reasonable assurance is a high level of assurance, but it 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.

Owing to the inherent limitations of an audit, there is an unavoidable risk that, despite us planning and performing our audit in accordance with auditing standards, one or more material misstatements in the financial statements may have gone undetected by our audit. As with any audit, there is a risk that irregularities and fraud will go undetected where they involve matters such as misrepresentations from management, collusion, deliberate omissions and override of controls. It is not the role of the auditor to prevent non-compliance and we cannot be expected to detect every instance of non-compliance with all laws and regulations.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiries of management including a pre audit meeting;
- obtaining and reviewing supporting documentation of policies concerning the laws and regulations applicable to the business;
- understanding how the charitable company complies with its regulatory framework by making enquiries of management ;
- considering the culture inherent in the charitable company and whether this represents a culture of honesty and ethical behaviour with a strong emphasis of detection and prevention of fraud.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

Auditors' responsibilities for the audit of the financial statements - continued

We assessed the susceptibility of the charitable company's financial statements to material misstatement and considered how fraud might occur. The audit procedures performed included, but were not limited to:

- challenging management assumptions and estimates;
- identifying and testing unusual journal entries;
- assessing how the relevant laws and regulations have been complied with and noting any instances of non compliance;
- reviewing the financial statements for compliance with relevant Accounting Standards and accounting legislation applicable to a small company;
- considering how those charged with governance have addressed the possibility of an override of essential controls or other influence over the financial reporting processes.

In addition, we also considered other non financial laws relevant to the charitable company. These do not necessarily have a direct influence on the financial statements but might affect the company's ability to operate.

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 Report of the Independent Auditors.

Use of our report

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



Roger Downes FCA (Senior Statutory Auditor)
for and on behalf of Andorran Limited (Statutory Auditor)
Chartered Accountants
6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Gloucestershire
GL51 9TX

27 September 2021

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Unrestricted fund £	Restricted funds £	31.12.20 Total funds £	31.12.19 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	108,775	-	108,775	194,707
Charitable activities					
Operation of Waltham Abbey Royal Gunpowder Mills	4	30,643	-	30,643	511,058
Miscellaneous income		102,234	-	102,234	107,073
Other trading activities	3	1,468	-	1,468	17,436
Other income	5	63,518	-	63,518	5,000
Total		<u>306,638</u>	<u>-</u>	<u>306,638</u>	<u>835,274</u>
EXPENDITURE ON					
Commercial trading operation costs	6	13,015	-	13,015	42,220
Charitable activities					
Costs of Operation of Waltham Abbey Royal Gunpowder Mills	7	478,247	15,613	493,860	923,776
Total		<u>491,262</u>	<u>15,613</u>	<u>506,875</u>	<u>965,996</u>
NET INCOME/(EXPENDITURE)		<u>(184,624)</u>	<u>(15,613)</u>	<u>(200,237)</u>	<u>(130,722)</u>
Transfers between funds	20	<u>(9,360)</u>	<u>9,360</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(193,984)</u>	<u>(6,253)</u>	<u>(200,237)</u>	<u>(130,722)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		4,833,401	30,052	4,863,453	4,994,175
TOTAL FUNDS CARRIED FORWARD		<u><u>4,639,417</u></u>	<u><u>23,799</u></u>	<u><u>4,663,216</u></u>	<u><u>4,863,453</u></u>

The notes form part of these financial statements

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2020**

	Notes	Unrestricted fund £	Restricted funds £	31.12.20 Total funds £	31.12.19 Total funds £
FIXED ASSETS					
Tangible assets	15	4,615,584	24,042	4,639,626	4,806,515
CURRENT ASSETS					
Stocks	16	6,074	-	6,074	7,030
Debtors	17	46,227	-	46,227	59,593
Cash at bank and in hand		24,165	2,743	26,908	77,521
		<u>76,466</u>	<u>2,743</u>	<u>79,209</u>	<u>144,144</u>
CREDITORS					
Amounts falling due within one year	18	(52,633)	(2,986)	(55,619)	(87,206)
		<u>23,833</u>	<u>(243)</u>	<u>23,590</u>	<u>56,938</u>
NET CURRENT ASSETS					
		<u>4,639,417</u>	<u>23,799</u>	<u>4,663,216</u>	<u>4,863,453</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>4,639,417</u>	<u>23,799</u>	<u>4,663,216</u>	<u>4,863,453</u>
NET ASSETS					
		<u>4,639,417</u>	<u>23,799</u>	<u>4,663,216</u>	<u>4,863,453</u>
FUNDS					
	20			4,639,417	4,833,401
Unrestricted funds				23,799	30,052
Restricted funds				<u>4,663,216</u>	<u>4,863,453</u>
TOTAL FUNDS					

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 02.09.21 and were signed on its behalf by:



F E A Baxter - Trustee

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	31.12.20 £	31.12.19 £
Cash flows from operating activities			
Cash generated from operations	1	(51,363)	66,327
Net cash (used in)/provided by operating activities		<u>(51,363)</u>	<u>66,327</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(31,482)
Sale of tangible fixed assets		750	5,000
Net cash provided by/(used in) investing activities		<u>750</u>	<u>(26,482)</u>
Change in cash and cash equivalents in the reporting period			
		(50,613)	39,845
Cash and cash equivalents at the beginning of the reporting period		<u>77,521</u>	<u>37,676</u>
Cash and cash equivalents at the end of the reporting period		<u><u>26,908</u></u>	<u><u>77,521</u></u>

The notes form part of these financial statements

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.20 £	31.12.19 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(200,237)	(130,722)
Adjustments for:		
Depreciation charges	166,889	163,749
Profit on disposal of fixed assets	(750)	(5,000)
Decrease/(increase) in stocks	956	(896)
Decrease in debtors	13,366	9,607
(Decrease)/increase in creditors	(31,587)	29,589
Net cash (used in)/provided by operations	<u>(51,363)</u>	<u>66,327</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank and in hand	77,521	(50,613)	26,908
	<u>77,521</u>	<u>(50,613)</u>	<u>26,908</u>
Total	<u>77,521</u>	<u>(50,613)</u>	<u>26,908</u>

The notes form part of these financial statements

THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

As a result of the impact of Covid-19, the site was mothballed in April 2020 and was not able to reopen again during the year, nor in any meaningful way during 2021 to-date. This has had a significant negative impact on income. Despite substantial mitigating cost reductions, the site is currently incurring an operating loss.

The Charitable Company ("the Charity") has prepared budgets for the financial year to 31 December 2021 that show an operational deficit of £156,835. Projections have also been prepared for the 9 month period ending September 2022 that show an operational deficit of £103,364. As set out in note 22 to these financial statements, the Charity, as in previous years, is reliant upon the continued support of The Waltham Abbey Royal Gunpowder Mills Foundation ("The Foundation") to provide discretionary funds to make good operational deficits. The Foundation has provided written confirmation of financial support for the period to the end of December 2022, thus a minimum of 12 months post approval of the FY20 financial statements.

There is no indication that The Foundation will not provide financial support towards the operational deficit beyond 31 December 2022. As a result of these commitments, the Board of the Charity considers the Charitable Company to be a going concern and has prepared these financial statements on that basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

The Board of Trustees reviewed the split of costs during the year ended 31 December 2020 and have compared against the 2019 figures accordingly. In particular, Governance costs (Support) were reviewed in line with the SORP and it was agreed to include 10% of the accountancy fees (2019: 10%) (in relation to year end procedures) and 100% of the audit costs (2019: 100%).

The Board of Trustees considers the allocation of costs in proportion of Admissions income compared to Retail income for the year under review. For the year to 31 December 2020, Admissions income was calculated as 96% (2019: 91%) and Retail income 4% (2019: 9%). This split is then applied to Retail (Commercial Trading Operation Costs) and the Heritage Site, after considering if any of the expenditure falls within the SORP guidance for 'Governance'.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 50 years
Exhibition costs	- 5 years
Plant and machinery	- 5 years

Assets under construction are not depreciated until they become operational. Individual fixed asset additions costing £1,250 or less are not capitalised unless they are part of a specific project or exhibition and the total expenditure will exceed £1,250 overall. For the reasons stated in note 25, the historic exhibits owned by the charity have not been capitalised.

Stocks

Stock is included at the lower of cost or net realisable value.

Taxation

The charitable company is exempt from corporation tax on its charitable activities.

Fund accounting

The unrestricted general fund held by the charitable company can be used in accordance with the charitable objects at the discretion of the directors and trustees. Further explanation of the nature and purpose of the fund is included in note 20 to these financial statements.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. DONATIONS AND LEGACIES

	31.12.20	31.12.19
	£	£
Donations	4,175	4,599
Grants from Waltham Abbey Royal Gunpowder Mills Charitable Foundation	104,600	190,108
	<u>108,775</u>	<u>194,707</u>

3. OTHER TRADING ACTIVITIES

	31.12.20	31.12.19
	£	£
Commercial trading operations	1,468	17,436
	<u>1,468</u>	<u>17,436</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. INCOME FROM CHARITABLE ACTIVITIES

		31.12.20	31.12.19
	Activity	£	£
Admission fees	Operation of Waltham Abbey Royal Gunpowder Mills	30,643	174,039
Grants	Operation of Waltham Abbey Royal Gunpowder Mills	-	337,019
Room rental etc	Miscellaneous income	102,234	107,073
		<u>132,877</u>	<u>618,131</u>

Included above under the Activity 'Miscellaneous income' is the following:

		31.12.20	31.12.19
		£	£
Filming Rights		49,860	60,817
Room Rental income (other)		49,106	40,744
Functions		3,268	4,750
Corporate hospitality etc		-	762
		<u>102,234</u>	<u>107,073</u>

Grants received, included in the above, are as follows:

		31.12.20	31.12.19
		£	£
Historic England - Quinan Stove		-	5,000
Epping Forest District Council - Quinan Stove		-	5,000
WARGM Charitable Goundation - Quinan Stove		-	4,595
Countryside Stewardship - Scheduled Monument Mangement Plan I		-	18,484
WARGM Charitable Foundation - Scheduled Monument Management Plan I		-	6,213
WARGM Charitable Foundation - Scheduled Monumnet Management Plan II		-	6,712
WARGM Charitable Foundation - Project repairs		-	15,000
WARGM Charitable Foundation - Buidlings L153-L148 Roof and Veranda repairs		-	236,660
WARGM Charitable Foundation - Fire Alarm Upgrades		-	30,000
WARGM Charitable Foundation - Development (Red Book Evaluation)		-	9,355
		<u>-</u>	<u>337,019</u>

With reference to above grants received above, WARGM Charitable Foundation is The Waltham Abbey Royal Gunpowder Mills Charitable Foundation. This is explained in further detail within note 23 'Related Party Transactions'.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. OTHER INCOME

	31.12.20	31.12.19
	£	£
Gain on sale of tangible fixed assets	750	5,000
Government grants	62,768	-
	<u>63,518</u>	<u>5,000</u>

	31.12.20	31.12.19
	£	£
Coronavirus Job Retention Scheme	37,768	-
Coronavirus Hospitality for Business Rates	25,000	-
	<u>62,768</u>	<u>-</u>

6. COMMERCIAL TRADING OPERATION COSTS

Commercial trading operation costs

	31.12.20	31.12.19
	£	£
Staff costs	7,410	22,245
Insurance	586	2,382
Retail supplies	1,395	5,014
Estate and establishment costs	3,624	12,579
	<u>13,015</u>	<u>42,220</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Costs of Operation of Waltham Abbey Royal Gunpowder Mills	<u>454,169</u>	<u>39,691</u>	<u>493,860</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

8.	DIRECT COSTS OF CHARITABLE ACTIVITIES	31.12.20	31.12.19
		£	£
	Staff costs	172,272	228,282
	Insurance	14,064	24,445
	Marketing	7,735	20,868
	Estate costs	83,606	129,274
	Special Projects - Quinan Stove	-	21,365
	Special Projects - Scheduled Monument Management Plan I	(2,743)	11,430
	Special Projects - Scheduled Monument Management Plan II	-	26,420
	Special Projects - Project repairs	9,360	2,457
	Special Projects - Buildings L153-L148 Roof and Veranda repairs	-	236,660
	Special Projects - Development (Red Book Evaluation)	-	9,355
	Special Projects - HLF	2,986	-
	Depreciation	166,889	163,749
		<u>454,169</u>	<u>874,305</u>

9.	SUPPORT COSTS			
		Retail	Heritage	Governance
		£	site	costs
			£	£
	Costs of Operation of Waltham Abbey			
	Royal Gunpowder Mills	<u>734</u>	<u>30,638</u>	<u>8,319</u>
				<u>39,691</u>

Support costs, included in the above, are as follows:

Retail		31.12.20	31.12.19
		Costs of	
		Operation	
		of	
		Waltham	
		Abbey	
		Royal	
		Gunpowder	
		Mills	Total
		£	activities
	Accountancy fees	557	1,266
	General office	177	942
		<u>734</u>	<u>2,208</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. SUPPORT COSTS - continued

Heritage site

	31.12.20	31.12.19
	Costs of Operation of Waltham Abbey Royal Gunpowder Mills £	Total activities £
Accountancy fees	12,834	12,991
Legal and professional fees	13,713	5,090
General office	4,091	9,662
	<u>30,638</u>	<u>27,743</u>

Governance costs

	31.12.20	31.12.19
	Costs of Operation of Waltham Abbey Royal Gunpowder Mills £	Total activities £
Auditors' remuneration	6,860	7,250
Legal and professional	-	10,686
Accountancy fees	1,459	1,584
	<u>8,319</u>	<u>19,520</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.20	31.12.19
	£	£
Auditors' remuneration	6,860	7,250
Depreciation - owned assets	166,889	163,749
Surplus on disposal of fixed assets	(750)	(5,000)
	<u>172,999</u>	<u>165,999</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

12. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	169,607	234,576
Social security costs	7,391	12,350
Other pension costs	2,684	3,601
	<u>179,682</u>	<u>250,527</u>

No employee earned more than £60,000 per annum (2019: £nil).

The number of staff to whom retirement benefits are accruing under money purchase schemes is 1 (2019: 1).

The key management personnel of the charity comprise only the Chief Officer. The total employee benefits of the key management personnel were £24,511 (2019: £45,536).

Wages and salaries includes £10,362 of Redundancy payments during the year (2019: £nil).

The average monthly number of employees during the year was as follows:

	31.12.20	31.12.19
Administration and Operations	<u>9</u>	<u>12</u>

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	194,707	-	194,707
Charitable activities			
Operation of Waltham Abbey Royal Gunpowder Mills	174,039	337,019	511,058
Miscellaneous income	107,073	-	107,073
Other trading activities	17,436	-	17,436
Other income	5,000	-	5,000
Total	<u>498,255</u>	<u>337,019</u>	<u>835,274</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued	Unrestricted fund £	Restricted funds £	Total funds £
EXPENDITURE ON			
Commercial trading operation costs	42,220	-	42,220
Charitable activities			
Costs of Operation of Waltham Abbey Royal Gunpowder Mills	616,089	307,687	923,776
Total	658,309	307,687	965,996
NET INCOME/(EXPENDITURE)	(160,054)	29,332	(130,722)
Transfers between funds	5,280	(5,280)	-
Net movement in funds	(154,774)	24,052	(130,722)
RECONCILIATION OF FUNDS			
Total funds brought forward	4,988,175	6,000	4,994,175
TOTAL FUNDS CARRIED FORWARD	4,833,401	30,052	4,863,453

14. STATEMENT OF CHANGES IN RESOURCES APPLIED FOR FIXED ASSETS FOR COMPANY USE	2020 £	2019 £
Net movement in funds for the year	(200,237)	(130,722)
Resources used for net acquisitions of tangible fixed assets	(4,000)	26,482
Net movement in funds available for future activities	(196,237)	(157,204)

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. TANGIBLE FIXED ASSETS

	Long leasehold £	Exhibition costs £	Plant and machinery £	Totals £
COST				
At 1 January 2020	7,606,948	1,014,236	419,484	9,040,668
Disposals	-	-	(4,000)	(4,000)
	<u>7,606,948</u>	<u>1,014,236</u>	<u>415,484</u>	<u>9,036,668</u>
At 31 December 2020	7,606,948	1,014,236	415,484	9,036,668
DEPRECIATION				
At 1 January 2020	2,852,195	1,011,757	370,201	4,234,153
Charge for year	152,139	1,803	12,947	166,889
Eliminated on disposal	-	-	(4,000)	(4,000)
	<u>3,004,334</u>	<u>1,013,560</u>	<u>379,148</u>	<u>4,397,042</u>
At 31 December 2020	3,004,334	1,013,560	379,148	4,397,042
NET BOOK VALUE				
At 31 December 2020	<u>4,602,614</u>	<u>676</u>	<u>36,336</u>	<u>4,639,626</u>
At 31 December 2019	<u>4,754,753</u>	<u>2,479</u>	<u>49,283</u>	<u>4,806,515</u>

16. STOCKS

	31.12.20 £	31.12.19 £
Finished goods	<u>6,074</u>	<u>7,030</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
Trade debtors	5,376	26,814
Other debtors	8,200	7,755
VAT	5,809	5,513
Prepayments and accrued income	26,842	19,511
	<u>46,227</u>	<u>59,593</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	31.12.20	31.12.19
	£	£
Trade creditors	27,608	35,918
Social security and other taxes	2,569	3,632
Other creditors	-	3,877
Accrued expenses	20,796	30,138
Deferred income	4,646	13,641
	<u>55,619</u>	<u>87,206</u>

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.20	31.12.19
	£	£
Within one year	2,400	1,180
Between one and five years	7,200	295
In more than five years	600	-
	<u>10,200</u>	<u>1,475</u>

20. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	4,833,401	(184,624)	(9,360)	4,639,417
Restricted funds				
Scheduled Monument Management Plan I	-	2,743	(2,743)	-
Scheduled Monument Management Plan II	-	-	2,743	2,743
Project Repairs	-	(9,360)	9,360	-
Fire Alarm Upgrades	30,052	(6,010)	-	24,042
Heritage Lottery Fund	-	(2,986)	-	(2,986)
	<u>30,052</u>	<u>(15,613)</u>	<u>9,360</u>	<u>23,799</u>
TOTAL FUNDS	<u>4,863,453</u>	<u>(200,237)</u>	<u>-</u>	<u>4,663,216</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

20. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	306,638	(491,262)	(184,624)
Restricted funds			
Scheduled Monument Management Plan I	-	2,743	2,743
Project Repairs	-	(9,360)	(9,360)
Fire Alarm Upgrades	-	(6,010)	(6,010)
Heritage Lottery Fund	-	(2,986)	(2,986)
	-	(15,613)	(15,613)
TOTAL FUNDS	<u>306,638</u>	<u>(506,875)</u>	<u>(200,237)</u>

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
General fund	4,988,175	(160,054)	5,280	4,833,401
Restricted funds				
Quinan Stove	6,000	(6,770)	770	-
Scheduled Monument Management Plan I	-	13,267	(13,267)	-
Scheduled Monument Management Plan II	-	(19,708)	19,708	-
Project Repairs	-	12,543	(12,543)	-
Fire Alarm Upgrades	-	30,000	52	30,052
	6,000	29,332	(5,280)	30,052
TOTAL FUNDS	<u>4,994,175</u>	<u>(130,722)</u>	<u>-</u>	<u>4,863,453</u>

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

20. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	498,255	(658,309)	(160,054)
Restricted funds			
Quinan Stove	14,595	(21,365)	(6,770)
Scheduled Monument Management Plan I	24,697	(11,430)	13,267
Scheduled Monument Management Plan II	6,712	(26,420)	(19,708)
Project Repairs	15,000	(2,457)	12,543
Buildings L153-L148 Roof and Veranda repairs	236,660	(236,660)	-
Fire Alarm Upgrades	30,000	-	30,000
Development - Red Book Evaluation	9,355	(9,355)	-
	<u>337,019</u>	<u>(307,687)</u>	<u>29,332</u>
TOTAL FUNDS	<u><u>835,274</u></u>	<u><u>(965,996)</u></u>	<u><u>(130,722)</u></u>

Nature and purpose of Restricted Funds

Quinan Stove

Urgent repairs to Heritage Building identified at risk. This includes feasibility and costs of repairs to avoid structural failure, preservation and conservation / restoration for future years.

Scheduled Monument Management Plan I

The project will produce a Management Plan for the Charity, focussing focussing on the area of the scheduled monument. The Plan will require an updating of the existing 1994 condition survey of the Royal Gunpowder Mills, a review of previous interventions and existing biodiversity management plans and surveys. The Plan then will identify priorities for repair and management under Countryside Stewardship, and consult with stakeholder to review and agree these priorities.

Scheduled Monument Management Plan II

The purpose of this Phase 2 PA2 at Waltham Abbey Royal Gunpowder Mills is to draw upon the Master Plan completed under Phase I of this project and complete a Schedule of Works and costings to inform repair/consolidation of the Scheduled structures prioritised in Phase I under a Countryside Stewardship HT agreement.

Project Repairs

Urgent repairs and maintenance works considered necessary to safeguard the site.

Buildings L153-L148 Roof and Veranda Repairs

Full repair of replacement roofs and Veranda's to include associated legal fees. Buildings were both listed and had deteriorated quite badly.

Fire Alarm Upgrades

New Fire Alarm System installed at Waltham site in December 2019.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

20. MOVEMENT IN FUNDS - continued

Development - Red Book Evaluation

Market Analysis conducted on behalf of the trustees to assess a 'Plan B' to the proposed PGL Scheme put forward by The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited. The review included specific areas within the Waltham site only.

Heritage Lottery Fund

During the year, the Charitable Company applied for funding from the Cultural Recovery Fund and received a grant of £104,600. The funds were received during January and March 2021 and were principally applied towards pre-opening refurbishments, enhanced site security, cleaning and marketing.

A small amount of expenditure was incurred in advance of funding and that is disclosed in note 20.

Transfers between funds

Transfers are made between restricted and unrestricted funds at the end of every accounting period in cases where:-

- (i) The activity of the restricted fund has come to an end and there is an unspent balance that is not repayable to the funder(s), when the surplus is transferred to unrestricted funds; and
- (ii) the restricted fund is in deficit and has either come to an end or there is no prospect of a surplus in a later period, which the deficit is eliminated by transfer from unrestricted funds.

21. CONTINGENT LIABILITIES

Various funders retain the right to claw back grants should the use of funds not be in accordance with the terms of the grant. In the opinion of the trustees no such liability exists at the year-end.

22. RELATED PARTY DISCLOSURES

The Charitable Company is related to The Waltham Abbey Royal Gunpowder Mills Charitable Foundation Limited, trustee of The Waltham Abbey Royal Gunpowder Mills Charitable Foundation ("the Foundation"), by virtue of a Management Agreement (for shared central services) and a Lease Agreement for the occupation of the Waltham Abbey site.

The Charitable Company received donations from the Foundation of £104,600 (2019: £498,642) to support the development and management of the site and buildings at Waltham Abbey in accordance with the charitable objects of both the Charitable Company and the Foundation. The grant was split £104,600 (2019: £190,108) to cover the operational deficit funding and £nil (2019: £308,534) in relation to specific capital projects being funded which had been agreed at the financial year-end as committed expenditure. The £104,600 is disclosed within 'Donations and Legacies' and the specific funding for projects is recorded within 'Charitable Activities' of the Statement of Financial Activities.

In addition, the Foundation made an expression of financial support to the Charitable Company, that is not binding on the Foundation. The commitment by the Foundation is an intention to spend and is not included in the financial statements as at 31 December 2019. The commitment at 31 December 2020 was £156,835 (2019: £210,500) to develop and manage the Waltham Abbey site, all payable within one year. With the outbreak of Covid-19 in March 2020, the Foundation requested the The Waltham Abbey Royal Gunpowder Mills Company Limited reduce its costs to a maximum of £10,000 per month from May 2020, this was temporarily increased to £13,250 per month from September 2020 and all concerned accepted that there was some exceptions and unavoidable commitments on top of this.

**THE WALTHAM ABBEY ROYAL GUNPOWDER
MILLS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

23. SHARE CAPITAL

The charitable company is limited by guarantee and has no share capital.

Under the terms of the Memorandum of Association the liability of each member is limited to £1 in the event of the winding up of the charitable company.

24. HERITAGE ASSETS

Any assets owned by the Charitable Company that are held for contribution towards the nation's cultural and educational benefit are recognised as heritage assets in the financial statements in accordance with Financial Reporting Standard 102 - Module 18 (Heritage Assets) and FRS 102 SORP, which requires such assets to be reported in the Statement of Financial Position, where information is available, at cost or value with initial recognition of donated heritage assets at their fair value where practical.

For assets that existed at 31 December 2020 the trustees are of the view that valuation information cannot be obtained at a cost that is commensurate with the benefits to users of the financial statements, so a valuation approach is not practical and the trustees have consequently adopted a non-recognition approach in accordance with the provisions of the Standard.