

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**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Page
Reference and Administrative Details	1 to 2
Report of the Trustees	3 to 7
Report of the Independent Auditors	8 to 10
Statement of Financial Activities	11
Statement of Financial Position	12
Statement of Cash Flows	13
Notes to the Statement of Cash Flows	14
Notes to the Financial Statements	15 to 28

**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	4				
Operation of Waltham Abbey Royal Gunpowder Mills		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		306,638	-	306,638	835,274
EXPENDITURE ON					
Commercial trading operation c osts	6	13,015	-	13,015	42,220
Charitable activities	7				
Costs of Operation of Waltham Abbey Royal Gunpowder Mills		478,247	15,613	493,860	923,776
Total		491,262	15,613	506,875	965,996
NET INCOME/(EXPENDITURE)		(184,624)	(15,613)	(200,237)	(130,722)
Transfers between funds	20	(9,360)	9,360	-	-
Net movement in funds		(193,984)	(6,253)	(200,237)	(130,722)
RECONCILIATION OF FUNDS					
Total funds brought forward		4,833,401	30,052	4,863,453	4,994,175
TOTAL FUNDS CARRIED FORWARD		4,639,417	23,799	4,663,216	4,863,453

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)
NET CURRENT ASSETS		<u>23,833</u>	<u>(243)</u>	<u>23,590</u>	<u>56,938</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				
Unrestricted funds				4,639,417	4,833,401
Restricted funds				<u>23,799</u>	<u>30,052</u>
TOTAL FUNDS				<u>4,663,216</u>	<u>4,863,453</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 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	<u>(50,613)</u>	<u>39,845</u>
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	<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		
	Operation of Waltham Abbey Royal Gunpowder Mills	30,643	174,039
Admission fees	Operation of Waltham Abbey Royal Gunpowder Mills	-	337,019
Grants	Miscellaneous income	102,234	107,073
Room rental etc		<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 C OSTS

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 site £	Governance costs £	Totals £
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	<u>(750)</u>	<u>(5,000)</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	<u>658,309</u>	<u>307,687</u>	<u>965,996</u>
NET INCOME/(EXPENDITURE)	<u>(160,054)</u>	<u>29,332</u>	<u>(130,722)</u>
Transfers between funds	<u>5,280</u>	<u>(5,280)</u>	<u>-</u>
Net movement in funds	<u>(154,774)</u>	<u>24,052</u>	<u>(130,722)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	4,988,175	6,000	4,994,175
TOTAL FUNDS CARRIED FORWARD	<u><u>4,833,401</u></u>	<u><u>30,052</u></u>	<u><u>4,863,453</u></u>

**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	<u>(4,000)</u>	<u>26,482</u>
Net movement in funds available for future activities	<u><u>(196,237)</u></u>	<u><u>(157,204)</u></u>

**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)
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)
At 31 December 2020	3,004,334	1,013,560	379,148	4,397,042
NET BOOK VALUE				
At 31 December 2020	4,602,614	676	36,336	4,639,626
At 31 December 2019	4,754,753	2,479	49,283	4,806,515

16. STOCKS

	31.12.20 £	31.12.19 £
Finished goods	6,074	7,030

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
	46,227	59,593

**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	306,638	(506,875)	(200,237)

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	4,994,175	(130,722)	-	4,863,453

**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>835,274</u>	<u>(965,996)</u>	<u>(130,722)</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.