

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, appearing to read 'F E A Baxter', with a horizontal line drawn underneath 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	6				
Operation of Waltham Abbey Royal Gunpowder Mills		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	9				
Costs of Operation of Waltham Abbey Royal Gunpowder Mills		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	<u>2,879</u>	<u>(2,879)</u>	<u>-</u>	<u>-</u>
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		<u>4,639,417</u>	<u>23,799</u>	<u>4,663,216</u>	<u>4,863,453</u>
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)
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				
Unrestricted funds				4,481,710	4,639,417
Restricted funds				18,032	23,799
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		13,281	(51,363)
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		(5,000)	750
Change in cash and cash equivalents in the reporting period		8,281	(50,613)
Cash and cash equivalents at the beginning of the reporting period		26,908	77,521
Cash and cash equivalents at the end of the reporting period		35,189	26,908

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)
Net cash provided by/(used in) operations	<u>13,281</u>	<u>(51,363)</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>
Total	<u>26,908</u>	<u>8,281</u>	<u>35,189</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
	<u>196,901</u>	<u>108,775</u>

5. OTHER TRADING ACTIVITIES

	31.12.21	31.12.20
	£	£
Commercial trading operations	1,609	1,468
	<u>1,609</u>	<u>1,468</u>

6. INCOME FROM CHARITABLE ACTIVITIES

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

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	-
	<u>99,785</u>	<u>102,234</u>
	<u>99,785</u>	<u>102,234</u>

**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 site £	Governance costs £	Totals £
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 Mills £	Total 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 Mills £	Total activities £
Accountancy fees	8,957	12,834
Legal and professional fees	44,623	13,713
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>

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	<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	306,638	-	306,638
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	491,262	15,613	506,875
NET INCOME/(EXPENDITURE)	(184,624)	(15,613)	(200,237)
Transfers between funds	(9,360)	9,360	-
Net movement in funds	(193,984)	(6,253)	(200,237)
RECONCILIATION OF FUNDS			
Total funds brought forward	4,833,401	30,052	4,863,453
TOTAL FUNDS CARRIED FORWARD	4,639,417	23,799	4,663,216

**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	(168,474)	(196,237)

**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	7,606,948	1,014,236	420,484	9,041,668
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	3,156,473	1,014,236	390,862	4,561,571
NET BOOK VALUE				
At 31 December 2021	4,450,475	-	29,622	4,480,097
At 31 December 2020	4,602,614	676	36,336	4,639,626

18. STOCKS

	31.12.21 £	31.12.20 £
Finished goods	4,514	6,074

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
	29,937	46,227

**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>417,553</u>	<u>(581,027)</u>	<u>(163,474)</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>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 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	306,638	(506,875)	(200,237)

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.