

# Heron Corn Mill (Beetham) Limited

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CHARITY NO: 1131677

COMPANY NO: 06784856

## **HERON CORN MILL (BEETHAM) LIMITED**

**A COMPANY LIMITED BY GUARANTEE**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

# Heron Corn Mill (Beetham) Limited

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# Heron Corn Mill (Beetham) Limited

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## **Report of the Trustees for the year ended 31 December 2020**

The Trustees present their report and the financial statements of the Trust for the year ended 31 December 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Trust.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Trust's governing document, the Charities Act 2011 and 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 published in October 2019.

### **Chair's Report**

As Chair of the Heron Corn Mill (Beetham) Ltd I am able to report an unusually outstanding year in what has been extremely difficult with the unprecedented Covid-19 pandemic arriving in early March. 2020 was to have been our celebratory year, with the culmination of a major Heritage Lottery project – 1220-2020 (800 Years of Milling) but all plans to complete this project and indeed have a showcase of work within an arts festival had to be shelved. It is hoped to be able to do this in 2021.

When the pandemic hit, the mill was having problems with floods, heavy rainfall had been causing concerns over rising water in the barn stairwell, and the possibility of yet another floodwater problem in the mill. Also, during one of our workshops, a major power cable blew up outside, as the water table was rising so quickly. This caused damage to internal lighting, turbine, and equipment throughout the mill, barn and shepherds hut.

All activity and events cancelled, the miller set to with repairing damage. The Creative Projects Manager spent her time applying for and accessing emergency funding for all aspects of the work in hand. The grants were extremely forthcoming for which we are grateful. Our miller could not be furloughed as he needed to repair and maintain equipment to prevent it seizing up. The two main members of staff continued to work, at first in a reduced way, alternate days, and then more fully throughout the tier system. Gradually all work was undertaken and the buildings back in order.

The Creative Projects Manager quickly adapted the usual programme of education with our community groups, so that the children and teenagers could meet regularly and work online with their tutors, and we offered our 20 laptops to those children with no equipment to get online. The elderly groups who do crafts were sent videos and templates of how to continue their craft projects. The elderly and those with memory loss, instead of coming to the barn for reminiscence work, were sent a large box of reminiscence materials and music, with a hot cooked meal by the volunteers and staff. Over 60 boxes were delivered monthly, and a special Christmas one was delivered to over 67 elderly people, many in their 90's and one who is 102 years old.

We finished the year in a good position, with all our community groups well served and looking forward to a future date when they can re-convene in the barn for workshops and friendly sessions. Deliveries of materials and resources will continue until that time, thanks to our supporters.

In closing, I would like to thank the staff and volunteers, trusts and foundations and a few stalwart volunteers, without whom we would not be able to offer our facilities and resources to the wider community, and I look forward to celebrating our long-awaited celebration of work in later 2021.

Roger Bingham

Chair

# Heron Corn Mill (Beetham) Limited

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## Report of the Trustees for the year ended 31 December 2020 (continued)

### **Our Purpose and Activities**

The purposes of the Charity are:

- a) To restore, preserve, and upkeep the Heron Corn Mill to its original form as a fully working water powered corn mill - on a site first used for a mill in the 13th century - as a working museum open to the public and for the general benefit of the community, and for the educational benefit of students, researchers and others, and any other charitable purposes tending to encourage interest in the history and industry of the area.
- b) To advance the education of the public in the conservation, protection, improvement, and mutual co-dependency of the physical and natural environment by demonstrating and promoting the use of renewable energy technology particularly, but not exclusively, using hydropower.
- c) In furtherance of the above objects, but not otherwise, the power to arrange lectures, exhibitions, shows, projects and events for the benefit of the public, and to print, publish, and make available to the public by sale or otherwise of literature, reproductions, photographs and the like.

The vision that shapes our annual activities remains the sustainability and appreciation of the working heritage here at Heron Corn Mill. We have a general aim to contribute to the quality of life and knowledge sharing within our communities and visiting public.

In shaping our objectives for the year and planning our activities we continue to refer to the main themes of the heritage site, which creates a rich and diverse programme for all sectors of the community and visiting public. We aim to give our visitors and site users a good experience and affordable events and activities, and we are planning a re-opening post Covid-19 at some point in the middle of 2021, when restrictions allow. Meantime, we are making the site cleaner, safer and secure, in readiness for the public return.

The Trustees confirm that they have referred to the general guidance on public benefits issued by the Charity Commission when reviewing and planning the charity's aims and objectives.

The strategies we employed throughout 2020 were:

- Upkeep of the mill, maintenance and repair, and accessible interpretive resources
- Offered creative and educational activities for a broad range of people, in particular the elderly, with Crafternoons, Bread of Heron, Grain Chain and the new Powsowdie, most activity being online due to the pandemic, but deliveries of food, flour and resources were made to the elderly and vulnerable in the surrounding villages.
- Develop our ever-expanding youth group activities to cover themes of engineering, science and technology and to test out online delivery due to the pandemic.
- Review our offer of good educational programmes to primary schools, colleges, university groups and specific interest groups who might visit in future years. Consider using the skills of young artists to help develop new ideas for the education work.

# Heron Corn Mill (Beetham) Limited

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## **Report of the Trustees for the year ended 31 December 2020 (continued)**

Putting these activities into action we have the following main areas of activity:

- Schools – We tie into the national initiative such as British Science Week, National Mills Weekend, Museums at Night and Heritage Open Days – this can help with funding and certainly helps with promotion and free promotional materials.
- Mill Hoppers Youth Group – now split to 2 age groups as numbers have risen significantly. There are currently 100 young people as members. Our young people continue to learn through the main subjects of engineering, science and technology. At teenage level they are invited to join 808, a teenage group where they are given more creative freedom, and mentored towards becoming volunteers.
- Archive – creating artists opportunities to engage with our expansive archive and interpret the results into public performances or events through the research. We are looking to revive in the future, in some way, the North West Mills Group to which a lot of archive material is attached.
- Crafternoons – craft activities for the elderly, these are expanding and over 26 elderly people now attend once a month, we are looking to expand post-Covid-19, to a wider range of activities for the elderly.
- Milling demonstrations – a monthly event for the public to engage with our milling days will begin again post Covid-19, for the public to better understand the value of industrial heritage, water power and the making of fine stoneground flour. Historically these are well-attended, sometimes local history groups will book to come to a milling demonstration, and numbers can be quite high.
- Bread of Heron – This began as one group, we now have 4 groups, led by enthusiastic volunteer bakers, all who have spent many weeks being taught how to make really good bread. This project is exceptional in that it is becoming self-sustaining. Using our own flour, and receiving a small donation from each baker taking part, it is immensely popular with a long waiting list for places. Bread of Heron has now been running successfully since 2015. During Covid-19 the bread-making continued under the tier system, but was abandoned later in the year. It is hoped to re-start during 2021.
- The Grain Chain – Now in its second year, this initiative seeks to develop a baking group for those with mental health issues and learning difficulties, in need of a therapeutic activity. We have formed a partnership with Men in Growing Well (Sizergh) and are hoping to engage with other groups during the latter half of 2021.

### The Events Programme

We create a twice yearly programme, spring and summer, autumn and winter. We create and promote a variety of events, activities and experiences for all sectors, ages, abilities and cultures within it. The themes are always broadly based around flour production, bread making, agricultural, rural life, engineering, technology, and hydropower. We engage mainly with local artists and educators to run the events. Due to Covid-19, our activities were offered online or by delivery in a box to individuals and this continued throughout 2020. A full adapted programme under the umbrella of MAKE YOURSELF AT HOME –BUSINESS AS UNUSUAL was undertaken, with funding from various sources, mainly emergency funding from the Lottery Funds.

# Heron Corn Mill (Beetham) Limited

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## **Report of the Trustees for the year ended 31 December 2020 (continued)**

### **Achievements and Performance**

We have been very fortunate with grant-funding during 2020, despite the terrible effects of the pandemic on all organisations. We have managed to keep going, with a good adapted programme that offered a range of activities and communications from staff and volunteers to all our community groups. A fortnightly newsletter throughout the year kept everyone up to date with events, and resources and materials were sent or delivered to all those who needed them, including the elderly, isolated and vulnerable members of our community. A project for which we were highly commended by the High Sheriff of Cumbria, who also helped deliver food boxes during the summer of 2020. We are looking forward to building on our knowledge from working in this adapted way, and to getting people back into the barn and day visitors back on to site at some point during 2021.

### **Covid-19 (Coronavirus) Review**

On 23 March 2020 the Prime Minister addressed the nation announcing unprecedented limits on where and how people can meet and gather during the pandemic. This introduced lockdown rules chief of which was the need to “social-distance” keeping at least 2m apart from each other. This effectively kept everyone at home apart from essential services. The Heron Corn Mill was not an essential services so had to close – which it did on 14 March 2020.

#### **1) Effect on Charity's activities**

There are two full time members of staff, Audrey and Stuart. Audrey was able to work from home full time and Stuart was not furloughed as he is needed to keep the mill running preventing it from seizing up, and to check the site and keep the turbine working. He did this 1-2 days per week. All workshops and events were cancelled. Andy (who is 2 days per week) works from home and co-ordinates a remote programme which incorporates all the established groups we run, offering them a remote service that they can engage with.

It has not been possible to engage with volunteers since the pandemic began, as many of these are retired people and some with health concerns. It was deemed impossible to engage with others on site. Volunteers are being kept updated of all activity and measures to continue our services and programme, and will be until they are able to fully engage with it again.

#### **2) Ability to Fund-raise**

Fundraising was managed by Audrey from home, and very successfully too. The Small Business Grant was obtained from SLDC in the first fortnight of lockdown, and since then several grants relating to projects have been obtained, together with some emergency funds to change the way we offer our services and resources to our groups, and to help with paying existing costs to ensure the Charity survives during the pandemic. Emergency funding has been secured to the end of June 2021, as from then it is hoped that a gradual return to normal can commence.

#### **3) Effect on staff and events for the coming year**

All the activities planned for spring, summer and autumn were cancelled. However, most of our programme activity is part of a sponsored project, therefore many events and workshops were to be offered free, and therefore we are losing minimum income there. It is hoped that events and programmes can commence once again from July onwards following the Government's announcement on 22 February 2021 of a four-step plan to lift all restrictions by 21 June 2021.

# Heron Corn Mill (Beetham) Limited

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## **Report of the Trustees for the year ended 31 December 2020 (continued)**

### **4) Effect on future aims and activities**

Future aims and activities are now back on the agenda following the Government's announcement. Detailed plans for these will be drawn up ready to implement once the green light has been signalled.

### **5) Financial Effect**

The Covid-19 pandemic has had a positive impact on the finances of the Charity. Emergency funding was secured to help with existing costs, and this is in place until the end of June 2021. In addition we had a good year on the turbine income. Both these factors have helped the Charity's financial position to the point that for the first time ever we are able to report a surplus of unrestricted reserves.

In terms of future sustainability the Charity has been granted £75,000 from Power to Change (Business in the Community) to enable the Charity to buy a screen cleaning system for the turbine which will add additional unrestricted income each year. This was supported by a three year forecast which remains largely unaffected by the Covid-19 outbreak – assuming of course, that the pandemic comes under control in the coming months. The screen cleaner became operational from the beginning of March 2021.

### **Financial Review**

For the year to 31<sup>st</sup> Dec 2020 the charity recorded unrestricted income of £115k (prior year £119K). Unrestricted expenditure amounted to £95k (pr yr £111k), leaving a surplus over expenditure of £20k (prior year £8k). Adding back depreciation improves the surplus to £46k compared to the comparable surplus of £34k in 2019. This improvement of £12k comes from grants received due to Covid-19 pandemic enabling some items of unrestricted expenditure to be offset by these grants (hence the lower overall unrestricted expenditure figure). Cash was an inflow of £47k in the year which is a slight reduction on the £50k inflow achieved in 2019 - but another inflow nonetheless. The inflow was achieved due to the excellent performance of the Creative Projects Manager in securing funding to keep the Charity open during the Covid-19 pandemic.

### **Reserves Policy**

Unrestricted reserves as at 31 December 2020 are in deficit by £92,977 compared to the 2019 deficit of £137,259 – an improvement of £44,282. Included in the deficit is a sum of £116,057 (2019 £125,496) representing a long term loan and other liabilities which, in the main, are not due for repayment until more than 12 months from the balance sheet date. This transforms the unrestricted reserves deficit to a surplus of £23,080 (2019 a deficit of £2,976) - an improvement of £26,056, and the first time the Charity has recorded a positive unrestricted reserve. The Charity has now reached its aim to have cash reserves of some £15,000 to cover at least 3 months essential operating costs. The next step is to ensure this is maintained and improved upon.

# Heron Corn Mill (Beetham) Limited

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## Report of the Trustees for the year ended 31 December 2020 (continued)

### Reference and administrative details

Company number:	06784856
Charity number:	1131677
Trustees:	Roger Bingham Robert Dickinson Janice Dyson (Resigned Jan 2021) Paul Lusted Robert Parkinson Sharon Peill Tristan Donato (Appointed Jan 2021)
Treasurer:	Denise Noble
Secretary/Manager:	Audrey Steeley
Registered Office:	Mill Lane Beetham Milnthorpe Cumbria LA7 7PQ
Bankers:	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Independent Examiner:	Ian Clark FCCA MHA Moore and Smalley Kendal House Murley Moss Business Village Oxenholme Road Kendal LA9 7RL

### Structure, Governance and Management Constitution

Heron Corn Mill (Beetham) Limited is a company limited by guarantee and a registered charity governed by its Memorandum & Articles of Association. It was incorporated on 7 January 2009. Its objectives were amended by a resolution dated 23 December 2011.

### Organisation

The charity is organised and run by the Trustees. There must always be at least one senior manager of BillerudKorsnas Beetham Limited acting as a Trustee. In the year ended 31 December 2020 this Trustee was Sharon Peill. Day to day administration is the responsibility of the Charity Manager who reports to the Trustees.



# Heron Corn Mill (Beetham) Limited

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## Report of the Trustees for the year ended 31 December 2020 (continued)

### **Selection and induction of new Trustees**

In selecting individuals for appointment as Trustees, the Trustees take into consideration the skills, knowledge and experience needed for the effective administration and future progression of the Charity.

The Trustees make available to each new Trustee, a copy of the governing document and any amendments thereto, and a copy of the Charity's latest report and statement of accounts.

### **Risk Management**

The Trustees have identified the major risks to which the charity is exposed. Those risks have been reviewed and systems established to mitigate them. In keeping under review the Trust's activities, Trustees are mindful of the potential for any changes to the present range of risks and will adjust systems when and where required.

### **Statement of Trustees' responsibilities**

#### **Accounting and reporting responsibilities**

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

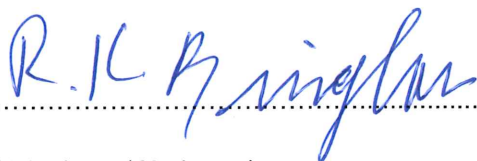
Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Approved by the Trustees on

and signed on their behalf by



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R K Bingham (Chairman)

# Heron Corn Mill (Beetham) Limited

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## **Independent Examiner's Report to the Members of Heron Corn Mill (Beetham) Limited**

I report to the Trust trustees on my examination of the accounts of the company for the year ended 31 December 2020 which are set out on pages 11 to 24.

### **Responsibilities and basis of report**

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### **Independent examiner's statement**

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ACCA, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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



**Ian Clark FCCA**  
**For and on behalf of**  
**MHA Moore and Smalley**  
**Chartered Accountants**  
Kendal House  
Murley Moss Business Village  
Kendal  
Cumbria  
LA9 7RL

Date : 06/07/2021

# Heron Corn Mill (Beetham) Limited

## Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 December 2020

	Note	Unrestricted Funds (General) 2020 £	Restricted Funds (Projects) 2020 £ (Note 4)	Total Funds 2020 £	Total Funds 2019 £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and Legacies	2	5,896	35	5,931	10,802
Charitable Activities: Grants Received	3	14,334	77,729	92,063	86,900
Other Trading Activities:					
Admissions etc.		3,344	760	4,104	11,702
Heritage Lottery Fund	5	-	112,015	112,015	21,000
Sales		412	-	412	3,904
Turbine Income		90,959	-	90,959	92,569
Investment Income	6	38	-	38	75
Other Income		342	-	342	344
<b>TOTAL</b>		<b>115,325</b>	<b>190,539</b>	<b>305,864</b>	<b>227,296</b>
<b>EXPENDITURE ON:</b>					
Raising Funds:					
Cost of Goods Sold		194	1,890	2,084	3,926
Marketing		45	-	45	619
Other Costs		12	178	190	162
Wages	10	20,658	-	20,658	22,244
		<u>20,909</u>	<u>2,068</u>	<u>22,977</u>	<u>26,951</u>
Charitable Activities:					
Events:					
Artists/Professional Fees		390	36,716	37,106	42,934
Exhibition Costs		-	173	173	2,069
Travel & Subsistence		-	826	826	1,680
Volunteer Expenses		-	9,569	9,569	11,216
Wages	10	6,568	40,525	47,093	40,781
		<u>6,958</u>	<u>87,809</u>	<u>94,767</u>	<u>98,680</u>
Property:					
Heat & Light		262	262	524	1,310
Licences		150	30	180	107
Rates		1,034	-	1,034	(265)
Repairs, Maintenance and Cleaning		13,296	14,018	27,314	9,252
		<u>14,742</u>	<u>14,310</u>	<u>29,052</u>	<u>10,404</u>
Other Administration:					
Audit & Accountancy Fees		2,955	-	2,955	2,585
Bank Charges		45	15	60	60
Catering/Refreshments		88	64	152	935
Depreciation		26,102	-	26,102	26,155
Equipment Purchases		15	1,687	1,702	920
Insurance		5,147	801	5,948	5,547
IT Hardware/Software		167	1,186	1,353	1,831
Legal Fees		713	177	890	481
Post, Packing, Telephone		787	443	1,230	1,841
Stationery, Consumables, Copying		123	212	335	943
Subscriptions		443	372	815	953
Sundry		473	1,259	1,732	697
Training		-	-	-	935
Wages	10	7,528	-	7,528	11,122
		<u>44,586</u>	<u>6,216</u>	<u>50,802</u>	<u>55,005</u>
Other:					
Loan Interest		7,964	-	7,964	8,557
		<u>7,964</u>	<u>-</u>	<u>7,964</u>	<u>8,557</u>
<b>TOTAL</b>		<b>95,159</b>	<b>110,403</b>	<b>205,562</b>	<b>199,597</b>
<b>NET INCOME/(EXPENDITURE) BEFORE TRANSFERS</b>	7	20,166	80,136	100,302	27,699
Transfers	4	62,281	(62,281)	-	-
Admin Charges	4	-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>82,447</b>	<b>17,855</b>	<b>100,302</b>	<b>27,699</b>
Funds Balances b/f		<u>1,095,867</u>	<u>138,564</u>	<u>1,234,431</u>	<u>1,206,732</u>
<b>FUNDS BALANCES c/f</b>		<b>1,178,314</b>	<b>156,419</b>	<b>1,334,733</b>	<b>1,234,431</b>

# Heron Corn Mill (Beetham) Limited

## Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed Assets</b>			
Tangible Assets	12	399,261	361,096
Heritage Assets	13	872,030	872,030
		<u>1,271,291</u>	<u>1,233,126</u>
<b>Current Assets</b>			
Debtors & Prepayments	14	35,599	29,135
Cash at Bank and in Hand		174,730	127,995
		<u>210,329</u>	<u>157,130</u>
<b>Creditors</b>			
Amounts falling due within one year	15	44,576	44,074
<b>Net Current Assets</b>		<u>165,753</u>	<u>113,056</u>
<b>Total Assets less current liabilities</b>		<u>1,437,044</u>	<u>1,346,182</u>
<b>Long Term Liabilities</b>			
Charity Bank Loan	16	102,311	111,751
<b>Net Assets</b>	17	<u>1,334,733</u>	<u>1,234,431</u>
<b>Funds</b>			
Unrestricted: General		1,178,314	1,095,867
Restricted: Projects	4	156,419	138,564
		<u>1,334,733</u>	<u>1,234,431</u>

For the year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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

Approved by the Trustees on 21/6/21 and signed on their behalf by



S. PELL

Trustee/Director



RK Bingham  
Trustee & Chairman

Company Registration Number: 06784856

# Heron Corn Mill (Beetham) Limited

## Cash Flow Statement as at 31 December 2020

	Note	2020 £	2019 £
<b>Cash generated in Operating Activities</b>	20	<u>119,808</u>	<u>62,239</u>
Cash Flows from Investing Activities:			
Proceeds from the sale of plant and equipment			
Purchases of plant and equipment		<u>(64,267)</u>	<u>(3,944)</u>
<b>Cash provided by (used in) Investing Activities</b>		<u>(64,267)</u>	<u>(3,944)</u>
Cash Flows from Financing Activities:			
Repayment of borrowing		<u>(8,806)</u>	<u>(8,207)</u>
<b>Cash used in Financing Activities</b>		<u>(8,806)</u>	<u>(8,207)</u>
Increase (decrease) in cash in the year		46,735	50,088
Cash at the beginning of the year		127,995	77,907
<b>Total Cash at the end of the year</b>		<u>174,730</u>	<u>127,995</u>

# Heron Corn Mill (Beetham) Limited

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## Notes to the Financial Statements for the year ended 31 December 2020

### 1. Accounting Policies

#### 1.1 Company Information

Heron Corn Mill (Beetham) Limited is a company limited by guarantee incorporated in England and Wales. The registered office is Mill Lane, Beetham, Milnthorpe, Cumbria, LA7 7PQ.

##### 1.1.a Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

Heron Corn Mill (Beetham) Limited meets the definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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

#### 1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

#### 1.3 Going concern

At the time of approving the financial statements, the directors have considered the period of 12 months following and have reasonable expectations that the Charity has adequate resources to continue in operational existence for the foreseeable future. This is supported by a review of the 3 year forecast completed last year in support of the turbine screen cleaner funding which the Directors have found to be broadly unaffected by the Covid-19 pandemic and therefore remains achievable. This, together with the fact that the Charity has registered its first positive unrestricted reserve gives the Directors confidence in continuing to adopt the going concern basis of accounting in preparing these financial statements.

# Heron Corn Mill (Beetham) Limited

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## Notes to the Financial Statements (continued) for the year ended 31 December 2020

### 1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income, it is probable it will be received and the amount can be measured reliably.

The following specific policies are applied to particular categories of income:

- (a) Voluntary income is received by way of grants (whether capital or revenue), donations and gifts and is included in full in the Statement of Financial Activities.  
Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when it is probable the income will be received.
- (b) Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the volunteers is not recognised.  
On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.
- (c) Investment income is included when receivable.
- (d) If income is received but the related performance does not take place until a further accounting period the income will be deferred until the criteria for income recognition are met.

### 1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading including costs of goods, marketing and staff costs.
- Expenditure on charitable activities includes the costs of performances, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs and costs associated with the turbine.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with use of the resources.

### 1.6 Investment income

Investment income represents interest earned on the investment of temporary surplus funds placed on deposit, and is included in the accounts when receivable.

# Heron Corn Mill (Beetham) Limited

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## Notes to the Financial Statements (continued) for the year ended 31 December 2020

### 1.7 Tangible fixed assets and depreciation

All fixed assets are originally recorded at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Barn and Other equipment	- 10% - 20% straight line
Computer equipment	- 33% straight line
Hydro turbine	- 4% straight line

### 1.8 Heritage Assets

The improvements to Heron Corn Mill, Beetham are stated at cost. Significant funds have been expended in restoring and maintaining Heron Corn Mill and in view of this the Trustees do not believe any provision for depreciation or impairment is required.

### 1.9 Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period of the lease on a straight line basis.

### 1.10 Debtors and creditors receivable/ payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

### 1.11 Cash at bank and in hand

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

### 1.12 Financial Instruments

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



# Heron Corn Mill (Beetham) Limited

## Notes to the Financial Statements (continued) for the year ended 31 December 2020

2. Donations and Legacies	2020	2019
	£	£
Donations from visitors	931	2,805
Donation from BK Beetham Ltd	5,000	7,997
	<u>5,931</u>	<u>10,802</u>

All donations in 2019 are unrestricted income, but in 2020 £35 is restricted.

### 3. Grants Received

Grants were received from the following bodies;	2020	2019
	£	£
Power To Change	55,000	-
SLDC	11,334	-
Cumbria Community Foundation	9,963	-
Garfield Weston	5,000	-
The Hadfield Charitable Trust	3,000	-
D'Oyly Carte Charitable Trust	2,000	-
The Dowager Peel	1,500	-
Tesco (Bags of Help)	1,166	-
Concertina Charitable	100	-
Expat Foundation	500	14,200
Henry Herd Trust	500	500
Sharples Fund	2,000	2,000
Swire Charitable Trust	-	17,500
Foyle Foundation	-	13,000
Derbyshire Environmental Trust (Tarmac)	-	7,000
Edward Gostling Foundation	-	6,900
Nineveh Trust	-	5,000
CCF + #Iwill Fund	-	4,250
Radcliffe Trust	-	3,000
The Cotton Industry War Memorial Trust	-	2,000
JSF Pollitzer Charitable Trust	-	2,000
Fort Foundation	-	2,000
John Gilpin	-	2,000
Mrs K Laurence's Charitable Trust	-	1,500
Elsbeth J Thompson	-	1,000
Harold & Alice Bridges	-	1,000
WG Edwards	-	1,000
Holmes Hines	-	500
Croppers	-	500
Blakemore	-	50
	<u>92,063</u>	<u>86,900</u>

The income from grants received totalled £92,063 in 2020 (2019: £86,900) of which £77,729 was restricted (2019: £86,900) and £14,334 was unrestricted (2019: £0).

# Heron Corn Mill (Beetham) Limited

## Notes to the Financial Statements (continued) for the year ended 31 December 2020

### 4. Restricted Funds RESTRICTED FUNDS SUMMARY 2020

No	Project	Balance b/f		Income 2020		Expenditure 2020					Balance c/f		
		Available to Spend	Per Balance Sheet	Received	Transfer from Unrestricted	Total	Spend in SOFA	Spent on Fixed Assets	Depn Charges	Admin Charges	Transfers to Unrestricted	Available to Spend	Per Balance Sheet
	7 Volunteer Program	23,054	23,054	-	-	-	5,157	-	-	-	5,157	17,897	17,897
	9 Hoppers 2017	13,705	13,705	6,000	3,500	9,500	11,754	-	-	-	11,754	11,451	11,451
	14 Turbine Cleaning System	53,340	53,340	55,000	-	55,000	21	64,267	-	-	64,288	44,052	44,052
	23 Craftrooms	9,016	9,016	-	-	-	1,858	-	-	-	1,858	7,158	7,158
	24 The Grain Chain	10,501	10,501	-	-	-	695	-	-	-	695	9,806	9,806
	28 Project Co-ordinator	1,529	1,529	6,246	-	6,246	6,246	-	-	-	6,246	1,529	1,529
	29 808 Transition	1,531	1,531	5,000	-	5,000	2,625	-	-	-	2,625	3,906	3,906
	33 Shed	921	921	-	-	-	-	-	-	-	-	921	921
	34 HLF-800 Years of Milling	13,983	13,983	2,625	(3,500)	(875)	15,966	-	-	-	15,966	(872)	(872)
	35 National Lottery Community Fund Covid 19	-	-	22,450	-	22,450	18,971	-	-	-	18,971	3,479	3,479
	37 Heritage Emergency Fund	-	-	19,000	-	19,000	19,000	-	-	-	19,000	-	-
	39 Culture Recovery Fund	-	-	68,040	-	68,040	25,206	-	-	-	25,206	42,834	42,834
	41 Powsowdle	10,980	10,980	717	-	717	2,408	-	-	-	2,408	9,289	9,289
	43 Craftrooms and 808 2021	-	-	3,000	-	3,000	496	-	-	-	496	2,504	2,504
	56 Barn Equipment	-	-	1,166	-	1,166	-	-	-	-	-	1,166	1,166
	72 Winter Woolies	4	4	1,295	-	1,295	-	-	-	-	-	1,299	1,299
Totals		138,564	138,564	190,539	-	190,539	110,403	64,267	-	-	174,670	156,419	156,419

Volunteer Program  
Hoppers 2017  
Turbine Cleaning System

is funding to continue the volunteer program started by the Waterpower Connection Project.  
is a project to expand and develop its offer to young people in the Area of engineering, arts and other STEM subjects.  
grant income received to purchase a new cleaning system for the turbine. The system will cost over £100,000, therefore this fund has been carried forward until the full amount has been raised and evaluation of the options completed.

Craftrooms  
The Grain Chain  
Project Co-ordinator  
808 Transition  
Shed

is funding for a monthly craft workshop for the over 65's led by disabled textile artist Kerry Ollerenshaw.  
is funding for a twice-monthly community bread-making group composed of people with behavioural problems and mental health issues.  
is needed to take care of the admin of Bread of Heron, and Grain Chain community bread making groups.

HLF-800 Years of Milling  
National Lottery Community Fund Covid 19  
Heritage Emergency Fund  
Culture Recovery Fund  
Powsowdile

is a project for the older members of Mill Hoppers Youth Group who are growing away from the group and becoming mill volunteers.  
is a project to replace the old one which was letting in rain. All community equipment and resources are stored in there.  
1220-2020 (800 Years of Milling) is a Heritage Lottery Funded project to explore the mill's medieval origins, as in 2020 we will have been milling for 800 years.  
to be adapted our community programmes and to deliver online and delivery packages to elderly.  
to allow staff and volunteers to quickly adapt to the new situation and continue working on site.  
to continue with preparations for opening the site safely and securely to the public.

is a reminiscence project for the elderly and people with memory loss.

Craftrooms and 808 2021  
Barn Equipment  
Winter Woolies

to continue with online and video work until sessions can begin face-to-face in the barn with workshops for the elderly and youth.  
to replenish and replace barn equipment for the time when we can re-open the barn to the public safely.  
is funding received to provide a Christmas party for the Old folks of the area.

# Heron Corn Mill (Beetham) Limited

## Notes to the Financial Statements (continued) for the year ended 31 December 2020

### 4. Restricted Funds RESTRICTED FUNDS SUMMARY 2019

No	Project	Balance b/f		Income 2019		Expenditure 2019					Balance c/f			
		Available to Spend	Per Balance Sheet	Received	Transfer from Unrestricted	Total	Spend in SOFA	Spend on Fixed Assets	Depn Charges	Admin Charges	Total	Transfers to Unrestricted	Available to Spend	Per Balance Sheet
7	Volunteer Program	23,823	23,823	7,000	-	7,000	7,769	-	-	-	7,769	-	23,054	23,054
9	Hoppers 2017	4,359	4,359	16,000	-	16,000	3,654	3,000	-	-	6,654	(3,000)	13,705	13,705
14	Turbine Cleaning System	50,340	50,340	3,000	-	3,000	-	-	-	-	-	-	53,340	53,340
23	Crafternoons	10,092	10,092	2,000	-	2,000	3,076	-	-	-	3,076	-	9,016	9,016
24	The Grain Chain	10,331	10,331	5,400	-	5,400	5,230	-	-	-	5,230	-	10,501	10,501
28	Project Co-ordinator	29	29	1,500	-	1,500	-	-	-	-	-	-	1,529	1,529
29	808 Transition	1,450	1,450	4,250	-	4,250	4,169	-	-	-	4,169	-	1,531	1,531
33	Shed	(5,094)	(5,094)	7,000	-	7,000	41	944	-	-	985	(944)	921	921
34	HLF-800 Years of Milling	26,793	26,793	23,000	-	23,000	35,810	-	-	-	35,810	-	13,983	13,983
41	Powsowdie	-	-	15,700	-	15,700	4,420	-	-	300	4,720	(300)	10,980	10,980
72	Winter Woolies	-	-	926	-	926	922	-	-	-	922	-	4	4
73	Millwright/Miller Salary	1,429	1,429	22,500	-	22,500	23,929	-	-	-	23,929	-	-	-
Totals		123,552	123,552	108,276	-	108,276	89,020	3,944	-	300	93,264	(4,244)	138,564	138,564

is funding to continue the volunteer program started by the Waterpower Connection Project.

#### Volunteer Program

Hoppers 2017

#### Turbine Cleaning System

grant income received to purchase a new cleaning system for the turbine. The system will cost over £100,000, therefore this fund will be carried forward until the full amount has been raised and evaluation of the options completed.

#### Crafternoons

is funding for a monthly craft workshop for the over 65's led by disabled textile artist Kerry Ollerenshaw.

#### The Grain Chain

is funding for a twice-monthly community bread-making group composed of people with behavioural problems and mental health issues.

#### Project Co-ordinator

is needed to take care of the admin of Bread of Heron, and Grain Chain community bread making groups.

#### 808 Transition

is a project for the older members of Mill Hoppers Youth Group who are growing away from the group and becoming mill volunteers.

#### Shed

is a project to replace the old one which was letting in rain. All community equipment and resources are stored in there.

#### HLF-800 Years of Milling

1220-2020 (800 Years of Milling) is a Heritage Lottery Funded project to explore the mill's medieval origins, as in 2020 we will have been milling for 800 years.

#### Powsowdie

is a reminiscence project for the elderly and people with memory loss.

#### Winter Woolies

is funding received to provide a Christmas party for the Old folks of the area.

#### Millwright/Miller Salary

is funding for the salary of our Millwright/Miller.

# Heron Corn Mill (Beetham) Limited

## Notes to the Financial Statements (continued) for the year ended 31 December 2020

	2020 £	2019 £
<b>5. Heritage Lottery Fund</b>		
1220-2020 (800 Years of Milling)	2,625	21,000
National Lottery Covid 19 Fund	22,350	-
Heritage Emergency Fund	19,000	-
Culture Recovery Fund	68,040	-
	112,015	21,000

## 6. Investment Income

	2020 £	2019 £
Interest Receivable	38	75

## 7. Net income/(expenditure) for the year

	2020 £	2019 £
<b>This is stated after charging:</b>		
Depreciation	26,102	26,155
Independent Examination	2,680	2,600

## 8. Expenditure on charitable activities

Expenditure on charitable activities in 2020 was £123,819 (2019: £109,084) of which £102,119 was restricted (2019: £70,316) and £2,170 was unrestricted (2019: £38,768).

## 9. Trustees

Robert Dickinson, a trustee, who lives closest to the Mill, gets paid for keeping the turbine going outside of normal office hours. He quite regularly cleans the turbine in the early hours of the morning! He invoices the Corn Mill for this service which in 2020 amounted to £4,560 (2019 £5,240).

None of the other Trustees received any remuneration during the year, nor were any of the Trustees reimbursed for any expenses (2019 - None).

## 10. Wages

There were 2 employees under contract by the charity during the year (2019 - 2).

No employee was paid more than £60,000 in the year.

	2020 £	2019 £
Breakdown of costs:		
Gross Wages paid	70,261	68,511
NIC contributions	3,283	4,087
Pension contributions	1,735	1,549
	75,279	74,147

# Heron Corn Mill (Beetham) Limited

## Notes to the Financial Statements (continued) for the year ended 31 December 2020

### 11. Related Party Transactions

The following Trustees are also managers of BillerudKorsnas Beetham Limited:

Sharon Peill & Robert Dickinson

BillerudKorsnas Beetham Limited owns the site of Heron Corn Mill (Beetham) Limited and does not charge any rent to the charity. The lease dated 23 May 1974 being for 99 years and a peppercorn rent payable.

In the year Heron Corn Mill (Beetham) Limited invoiced BillerudKorsnas Beetham Limited £22,347 in respect of electricity generated by the Turbine (2019: £26,599).

Included in other debtors at the year end is £1,250 due from BillerudKorsnas Beetham Limited (2019 - £10,304).

### 12. Tangible Fixed Assets

	Hydro Turbine £	Other Equipment £	Computer Equipment £	Total £
<b>Cost</b>				
At 1 January 2020	538,484	58,888	6,569	603,941
Additions in year	64,267	-	-	64,267
Disposals and write-offs at cost	-	-	-	-
At 31 December 2020	<b>602,751</b>	<b>58,888</b>	<b>6,569</b>	<b>668,208</b>
<b>Accumulated Depreciation</b>				
At 1 January 2020	198,971	37,305	6,569	242,845
Charged for the year	21,548	4,554	-	26,102
Disposals and write-offs	-	-	-	-
At 31 December 2020	<b>220,519</b>	<b>41,859</b>	<b>6,569</b>	<b>268,947</b>
<b>Net Book Value</b>				
At 31 December 2020	<b>382,232</b>	<b>17,029</b>	<b>-</b>	<b>399,261</b>
At 31 December 2019	339,513	21,583	-	361,096

# Heron Corn Mill (Beetham) Limited

## Notes to the Financial Statements (continued) for the year ended 31 December 2020

### 13. Heritage Assets

	Leasehold Property Improvements £
<b>Cost</b>	
At 1 January and 31 December 2020	<u>872,030</u>
<b>Net Book Value</b>	
At 31 December 2020	<u>872,030</u>

On 13 June 2013 a Legal Charge over the leasehold property known as Heron Corn Mill was signed in favour of the Trustees of the Heritage Lottery Fund as part of the conditions that had to be met before the grant of £939,100 could commence to be spent. The grant has the title of "Waterpower Connection".

14. Debtors and Prepayments falling due within one year	2020 £	2019 £
HM Revenue & Customs - VAT	32	-
Prepayments & Accrued Income	34,317	18,470
Other Debtors	1,250	10,665
	<u>35,599</u>	<u>29,135</u>

15. Creditors: amounts falling due within one year	2020 £	2019 £
HM Revenue & Customs - PAYE & NIC + VAT	1,932	4,188
Charity Bank loan	9,421	8,787
Other Creditors - Pension	145	329
Trade creditors	26,975	25,665
Accruals and deferred income	6,103	5,105
	<u>44,576</u>	<u>44,074</u>

# Heron Corn Mill (Beetham) Limited

## Notes to the Financial Statements (continued) for the year ended 31 December 2020

16. Creditors falling due after one year	2020	2019
	£	£
Charity Bank Loan	102,311	111,751
<b>Analysis of loans</b>	<b>£</b>	<b>£</b>
Wholly repayable within five years		
By instalments	-	-
Not wholly repayable within five years		
By instalments	111,732	120,538
	111,732	120,538
Included in current liabilities	9,421	8,787
	102,311	111,751

The Trust has a twenty year loan with the Charity Bank which will be repaid in full by November 2029. The loan bears interest at 7% and is secured by a fixed legal charge over the leasehold property known as Heron Corn Mill and a chattel mortgage over NHT Kaplan Turbine and associated equipment. There is also a debenture over the entire undertaking.

17. Summary of Net Assets by fund	Restricted Funds £ (Note 4)	Unrestricted Funds £	Total £
Fund balances at 31 December 2020 are represented by:			
Heritage Assets	-	872,030	872,030
Tangible Fixed Assets	-	399,261	399,261
Net Current Assets/(Liabilities)	156,419	9,334	165,753
	156,419	1,280,625	1,437,044
Long Term Liabilities	-	(102,311)	(102,311)
	156,419	1,178,314	1,334,733

# Heron Corn Mill (Beetham) Limited

## Notes to the Financial Statements (continued) for the year ended 31 December 2020

### 17. Summary of Net Assets by fund (continued)

	Restricted Funds £ (Note 4)	Unrestricted Funds £	Total £
Fund balances at 31 December 2019 are represented by:			
Heritage Assets	-	872,030	872,030
Tangible Fixed Assets	-	361,096	361,096
Net Current Assets/(Liabilities)	138,564	(25,508)	113,056
	138,564	1,207,618	1,346,182
Long Term Liabilities	-	(111,751)	(111,751)
	138,564	1,095,867	1,234,431

### 18. Taxation

As a charity, Heron Corn Mill (Beetham) Limited is exempt from tax on income and gains falling within sections 472 - 474 of the Corporation Tax Act 2010, sections 478 - 489 of the Corporation Tax Act 2010, or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

### 19. Control

There is no single controlling party of the charity for the current or previous year.

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

	2020 £	2019 £
Net movement in funds	100,302	27,699
Add back depreciation	26,102	26,155
Decrease (increase) in debtors	(6,464)	2,164
Increase (decrease) in creditors	(132)	6,221
<b>Net cash generated in operating activities</b>	<b>119,808</b>	<b>62,239</b>