

Heron Corn Mill (Beetham) Limited

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 2021

Heron Corn Mill (Beetham) Limited

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Heron Corn Mill (Beetham) Limited

Report of the Trustees for the year ended 31 December 2021

The Trustees present their report of the charity for the year ended 31 December 2021 which is also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. 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 charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity'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 continued effects of the COVID-19 pandemic. We were however able to offer a restricted in-house programme of events and activities with the majority of the community groups meeting face to face in the barn (restricted in number). A big success of the year was that we were able to hold our celebratory event BIEDUN, which should have been our 800 year anniversary of milling on site. This finally took place in September 2021, and was a big hit with the local community who attended. Our Patron, BBC 2's Ruth Goodman was also in attendance and gave a talk on medieval food and milling.

It was decided that after such an eventful 2 years with adapting programmes of work, that we should concentrate on rebuilding our community interface, and so the programming for future years would have a very particular focus on social integration, and community bonding.

The Creative Projects Manager was able to secure funding from The Expat Foundation in the form of a 3 year legacy, which would enable all the different projects under the umbrella of elderly activity to continue on a monthly basis. This has been wonderful and very welcome to have confirmed. The actual legacy would not come until 2022, as the particulars are currently with HMRC. We finished the year in a good position, with all our community groups well served and looking forward to getting back to normal in 2022.

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.

Roger Bingham

Chair

Heron Corn Mill (Beetham) Limited

Report of the Trustees for the year ended 31 December 2021 (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 have done a lot of repair and maintenance in 2021 to enable a good and safe opening to the public and local community in 2022. 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 2021 were:

- Upkeep of the mill, maintenance and repair, and accessible interpretive resources, including addition of PPI around the site for public use.
- 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 and brought back the children's youth group to site.
- Develop our ever-expanding youth group activities to cover themes of engineering, science and technology and to test out online delivery which has been successful but will return on a face-to-face basis in 2022

Heron Corn Mill (Beetham) Limited

Report of the Trustees for the year ended 31 December 2021 (continued)

- Review our offer of good educational programmes to primary schools, colleges, university groups and specific interest groups who might visit in future years. We are using the skills of young artists to help develop new ideas for the education work, particularly around eco sustainable systems and biodiversity.

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 have begun a new project with the elderly to offer table based crafts for the most vulnerable and those with dementia. It is hoped to expand this to other crafts in 2022, such as bread baking.
- 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. Bread of Heron now takes place safely in the barn four times a month, with limited access to the hut due to health and safety restrictions.
- 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 Growing Well (Sizergh) and The Lighthouse, based in Kendal, formerly South Lakeland MIND.

Heron Corn Mill (Beetham) Limited

Report of the Trustees for the year ended 31 December 2021 (continued)

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, hydropower. We engage mainly with local artists and educators to run the events. Whilst our monthly e-newsletter continues and is very popular, offering detailed information to the public, we are now programming for future events And activity back in the barn.

Achievements and Performance

We have been very fortunate with grant-funding during 2021, and the addition of an automatic screen-cleaner to site has increased our electricity generating income to a new level. This has been managed by Stuart Hobbs our miller and Robert Dickinson, who keep the equipment moving and in good order.

COVID-19 (Coronavirus) Review

Following the announcement on 23 March 2020 by the Prime Minister that the COVID-19 pandemic had arrived, the Charity has had to cope with various lock-downs, and various rules about social-distancing, and social gatherings. COVID-19 was a factor throughout 2021, and this is how the Charity addressed the problem:

1) Effect on Charity's activities in 2021

We were able to reinstate some of our workshops albeit with greatly reduced numbers. We were able to offer distribution of food and resources to the elderly (as in 2020) for a limited time. By the middle of the year we were able to resume face-to-face sessions under strict COVID-19 protocols which meant that the number of participants had to be scaled back in line with those protocols. However, in September we held an opening festival which heralded the return of public visitors to the site.

2) Ability to Fund-raise

We were able to continue fund-raising without too much difficulty throughout 2021, and secured a legacy fund for future work with the elderly. We were successful in securing additional assistance through the HLF Culture Recovery Fund, which enabled the site to be maintained and made safe for the return of the public.

3) Effect on staff and events for the coming year

We began planning a return to a full programme of events and activities during 2021 beginning with the September opening. We aim to be back in full operation by Spring 2022.

Heron Corn Mill (Beetham) Limited

Report of the Trustees for the year ended 31 December 2021 (continued)

4) Effect on future aims and activities

COVID-19 has shown us different ways of working, some of which we may continue to use such as distribution methods of taking resources to people who are no longer able to come to the mill. We are planning more work with the elderly, as much as the legacy funding will allow, as this particular sector of society has been badly affected by the pandemic and their needs must be addressed.

5) Financial Effect

The COVID-19 pandemic has had a positive impact on the finances of the Charity for the second year running. Additional emergency funding was secured to help with existing costs, including a sum of £32,500 to re-inflate unrestricted reserves. This, together with another good year on turbine income (up some £16,000 on 2020 to £107,000) enabled the Charity to repay the smaller of the two tranches of loan income of some £33,000. The Charity's financial position at the end of the year records its highest ever unrestricted reserves, even after paying off some of the loan. The high energy prices towards the end of the year helped the Charity to the good turbine income result. If these high prices continue into the new year the Charity is looking to repay the balance of its loan in Q1 2022.

Financial Review

For the year to 31st Dec 2021 the charity recorded unrestricted income of £146k (prior year £115K). Unrestricted expenditure amounted to £90k (pr yr £95k), leaving a surplus over expenditure of £57k (prior year £20k). Adding back depreciation improves the surplus to £89k compared to the comparable surplus of £46k in 2020. This improvement of £43k comes from an improved turbine income figure, but mostly 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 £11k in the year (prior year £47k), a reduction of £36k compared to 2020, but this is after repaying £33k off the loan.

Reserves Policy

Unrestricted reserves as at 31 December 2021 are showing a surplus before adjustments for the first time ever. The figure for 2021 is a surplus of £29k compared to a deficit of £93k in 2020. This is an improvement of £122k, and comes from 3 main sources: Net income for the year of £58k; add back depreciation of £32k; and add in the unrestricted grant received of £33k to help with reserves. Having now reached, and maintained (for one year at least), the policy of having at least £15k in cash reserves to cover at least three months essential operating costs, the next step was to pay off the balance of the loan as quickly as possible and this was achieved in Q1 of 2022. Our next step is to now build up the reserve figure to help pay for a direct connection to the grid in case anything should happen to the paper mill across the river.

Heron Corn Mill (Beetham) Limited

Report of the Trustees for the year ended 31 December 2021 (continued)

Reference and administrative details

Company number:	06784856
Charity number:	1131677
Trustees:	Roger Bingham Robert Dickinson Paul Lusted (Resigned June 2021) 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 Aldermore Bank PLC Apex Plaza Forbury Road Reading RG1 1AX
Independent Examiner:	Colin Johnson FCCA MHA Moore and Smalley Kendal House Murley Moss Business Village Oxenholme Road Kendal LA9 7RL

Heron Corn Mill (Beetham) Limited

Report of the Trustees for the year ended 31 December 2021 (continued)

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 Pelta Medical Papers Limited (previously known as BillerudKorsnas Beetham Limited) acting as a Trustee. In the year ended 31 December 2021 this Trustee was Sharon Peill. Day to day administration is the responsibility of the Charity Manager who reports to the Trustees.

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.

Heron Corn Mill (Beetham) Limited

Report of the Trustees for the year ended 31 December 2021 (continued)

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).

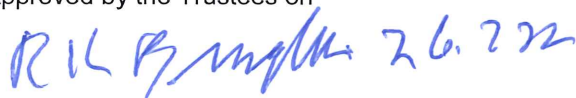
Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for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



R K Bingham (Chairman) or Trustee

Heron Corn Mill (Beetham) Limited

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

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2021 which are set out on pages 12 to 25.

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 Association of Chartered Certified Accountants 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



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

Date : 14/08/2022

Heron Corn Mill (Beetham) Limited

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 December 2021

	Note	Unrestricted Funds (General) 2021 £	Restricted Funds (Projects) 2021 £ (Note 4)	Total Funds 2021 £	Total Funds 2020 £
INCOME AND ENDOWMENTS FROM:					
Donations and Legacies	2	5,585	-	5,585	5,931
Charitable Activities: Grants Received	3	26,335	61,825	88,160	92,063
Other Trading Activities:					
Admissions etc		3,132	521	3,653	4,104
Heritage Lottery Fund	5	-	73,177	73,177	112,015
Sales		1,863	-	1,863	412
Turbine Income		107,174	-	107,174	90,959
Investment Income	6	5	-	5	38
Other Income		1,634	136	1,770	342
TOTAL		145,728	135,659	281,387	305,864
EXPENDITURE ON:					
Raising Funds:					
Cost of Goods Sold		1,067	1,942	3,009	2,084
Marketing		-	302	302	45
Other Costs		16	62	78	190
Wages	10	9,948	11,050	20,998	20,658
		11,031	13,356	24,387	22,977
Charitable Activities:					
Events:					
Artists/Professional Fees		4,369	20,643	25,012	37,106
Exhibition Costs		-	378	378	173
Travel & Subsistence		243	869	1,112	826
Volunteer Expenses		38	13,159	13,197	9,569
Wages	10	22,727	25,140	47,867	47,093
		27,377	60,189	87,566	94,767
Property:					
Heat & Light		262	786	1,048	524
Licences		120	60	180	180
Rates		361	1,002	1,363	1,034
Repairs, Maintenance and Cleaning		(2,372)	16,543	14,171	27,314
		(1,629)	18,391	16,762	29,052
Other Administration:					
Audit & Accountancy Fees		1,303	1,457	2,760	2,955
Bank Charges		56	41	97	60
Catering/Refreshments		204	36	240	152
Depreciation		31,834	-	31,834	26,102
Equipment Purchases		106	3,153	3,259	1,702
Insurance		4,452	2,746	7,198	5,948
IT Hardware/Software		141	509	650	1,353
Legal Fees		478	5,042	5,520	890
Post, Packing, Telephone		419	426	845	1,230
Stationery, Consumables, Copying		216	246	462	335
Subscriptions		611	328	939	815
Sundry		246	637	883	1,732
Training		129	700	829	-
Wages	10	3,631	4,021	7,652	7,528
		43,826	19,342	63,168	50,802
Other:					
Loan Interest		7,313	-	7,313	7,964
TOTAL		87,918	111,278	199,196	205,562
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		57,810	24,381	82,191	100,302
Transfers	4	75,446	(75,446)	-	-
Admin Charges	4	(513)	513	-	-
NET MOVEMENT IN FUNDS		132,743	(50,552)	82,191	100,302
Funds Balances b/f		1,178,314	156,419	1,334,733	1,234,431
FUNDS BALANCES c/f		1,311,057	105,867	1,416,924	1,334,733

Heron Corn Mill (Beetham) Limited

Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed Assets			
Tangible Assets	12	410,373	399,261
Heritage Assets	13	872,030	872,030
		<u>1,282,403</u>	<u>1,271,291</u>
Current Assets			
Debtors & Prepayments	14	48,450	35,599
Cash at Bank and in Hand		185,587	174,730
		<u>234,037</u>	<u>210,329</u>
Creditors			
Amounts falling due within one year	15	35,923	44,576
Net Current Assets		<u>198,114</u>	<u>165,753</u>
Total Assets less current liabilities		<u>1,480,517</u>	<u>1,437,044</u>
Long Term Liabilities			
Charity Bank Loan	16	63,593	102,311
Net Assets	17	<u>1,416,924</u>	<u>1,334,733</u>
Funds			
Unrestricted: General		1,311,057	1,178,314
Restricted: Projects	4	105,867	156,419
		<u>1,416,924</u>	<u>1,334,733</u>

For the year 31 December 2021 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 26 July 2022 and signed on their behalf by

.....
Trustee/Director

.....
RK Bingham as Trustee & Chairman

Trustee/Director

RK Bingham as Trustee & Chairman

Company Registration Number: 06784856

Heron Corn Mill (Beetham) Limited

Cash Flow Statement as at 31 December 2021

	Note	2021 £	2020 £
Cash generated in Operating Activities	20	94,884	119,808
Cash Flows from Investing Activities:			
Proceeds from the sale of plant and equipment		133	-
Purchases of plant and equipment		(42,946)	(64,267)
Cash provided by (used in) Investing Activities		(42,813)	(64,267)
Cash Flows from Financing Activities:			
Repayment of borrowing	16	(41,214)	(8,806)
Cash used in Financing Activities		(41,214)	(8,806)
Increase (decrease) in cash in the year		10,857	46,735
Cash at the beginning of the year		174,730	127,995
Total Cash at the end of the year		185,587	174,730

Heron Corn Mill (Beetham) Limited

Notes to the Financial Statements for the year ended 31 December 2021

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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

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 backed up by a 2 year forecast covering the years 2022 and 2023 in support of a funding application to the Foyle Foundation. This, together with the fact that the Charity has positive unrestricted reserves after repaying part of its loan, gives the Directors confidence in continuing to adopt the going concern basis of accounting in preparing these financial statements.

Heron Corn Mill (Beetham) Limited

Notes to the Financial Statements (continued) for the year ended 31 December 2021

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

Notes to the Financial Statements (continued) for the year ended 31 December 2021

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 2021

2. Donations and Legacies	2021	2020
	£	£
Donations from visitors	585	931
Donation from BK Beetham Ltd	5,000	5,000
	<u>5,585</u>	<u>5,931</u>

All donations in 2021 are unrestricted income, but in 2020 £35 is restricted.

3. Grants Received

Grants were received from the following bodies;	2021	2020
	£	£
Power To Change	27,440	55,000
SLDC	16,335	11,334
Garfield Weston	10,000	5,000
Cumbria Community Foundation	5,000	9,963
The Van Neste Foundation	5,000	-
D'Oyly Carte Charitable Trust	3,000	2,000
RHU Foundation	3,000	-
Schroder Charity Trust	3,000	-
The Areti Charitable Trust	2,400	-
LCVS	2,000	-
Francis Winham	2,000	-
Fort Foundation	2,000	-
Elsbeth J Thompson	1,200	-
Henry Herd Trust	1,125	500
Sabina Sutherland Charitable Trust	1,000	-
Persimmons Homes	1,000	-
Arnold Clark Community Fund	1,000	-
Harold & Alice Bridges	1,000	-
The GF Charitable Trust	500	-
Croppers	100	-
Blakemore	60	-
The Hadfield Charitable Trust	-	3,000
Sharples Fund	-	2,000
The Dowager Peel	-	1,500
Tesco (Bags of Help)	-	1,166
Expat Foundation	-	500
Concertina Charitable	-	100
	<u>88,160</u>	<u>92,063</u>

The income from grants received totalled £88,160 in 2021 (2020: £92,063) of which £61,825 was restricted (2020: £77,729) and £26,335 was unrestricted (2020: £14,334).

Heron Corn Mill (Beetham) Limited

Notes to the Financial Statements (continued) for the year ended 31 December 2021

4. Restricted Funds RESTRICTED FUNDS SUMMARY 2021

No	Project	Balance b/f Available to Spend	Per Balance Sheet	Income 2021 Received	Transfer from Unrestricted	Total	Spend SOFA	Spend on Fixed Assets	Depn Charges	Admin Charges	Total	Transfers to Unrestricted	Balance c/f Available to Spend	Per Balance Sheet
7	Volunteer Program	17,897	17,897	3,000	921	3,921	4,307	-	-	-	4,307	-	17,511	17,511
9	Education	11,451	11,451	19,900	3,906	23,806	1,302	-	-	-	1,302	-	33,955	33,955
14	Turbine Cleaning System	44,052	44,052	27,440	-	27,440	7,887	40,611	-	-	48,498	(40,611)	22,994	22,994
23	Craftermoons - (to Code 41)	7,158	7,158	-	(7,158)	(7,158)	-	-	-	-	-	-	-	-
24	The Grain Chain	9,806	9,806	-	-	-	2,150	-	-	-	2,150	-	7,656	7,656
28	Project Co-ordinator	1,529	1,529	-	-	-	-	-	-	-	-	-	1,529	1,529
29	808 Transition - (to Code 9)	3,906	3,906	-	(3,906)	(3,906)	-	-	-	-	-	-	-	-
33	Shed	921	921	-	(921)	(921)	-	-	-	-	-	-	-	-
34	HLF-800 Years of Milling	(872)	(872)	2,625	-	2,625	1,753	-	-	-	1,753	-	-	-
35	National Lottery Community Fund Covid 19	3,479	3,479	-	-	-	3,382	92	-	5	3,479	(92)	-	-
38	Culture Recovery Fund 2	-	-	62,992	-	62,992	30,492	-	-	-	30,492	(32,500)	-	-
39	Culture Recovery Fund 1	42,834	42,834	7,560	-	7,560	49,835	1,077	-	(518)	50,394	(1,077)	-	-
41	Elderly	9,289	9,289	12,142	10,961	23,103	10,170	-	-	-	10,170	-	22,222	22,222
43	Craftermoons and 808 2021 - (to Code 41)	2,504	2,504	-	(2,504)	(2,504)	-	-	-	-	-	-	-	-
56	Barn Equipment	1,166	1,166	-	-	-	-	1,166	-	-	1,166	(1,166)	-	-
72	Winter Woolies - (to Code 41)	1,299	1,299	-	(1,299)	(1,299)	-	-	-	-	-	-	-	-
Totals		156,419	156,419	135,659	-	135,659	111,278	42,946	-	(513)	153,711	(75,446)	105,867	105,867

During the year the opportunity was taken to condense the number of project codes into fewer, more meaningful, categories, and to re-name accordingly:

Code 29 was moved to Code 9, with Code 9 renamed from "Hoppers 2017" to "Education"

Codes 23, 43, and 72 were moved to Code 41, with Code 41 renamed from "Powsowdile" to "Elderly"

As spending on Code 33 "Shed" has finished, the balance on the fund has been transferred to Code 7 "Volunteer Program" in line with permissions

Volunteer Program	Funding to continue the volunteer program started by the Waterpower Connection Project.
Education (was Hoppers 2017)	A project to expand and develop its offer to young people in the areas of engineering, arts and other STEM subjects.
Turbine Cleaning System	To purchase a new self-cleaning system for the turbine, which was installed this year.
Craftermoons (to Code 41)	Funding for a monthly craft workshop for the over 65's led by disabled textile artist Kerry Ollerenshaw.
The Grain Chain	Funding for a twice-monthly community bread-making group composed of people with behavioural problems and mental health issues.
Project Co-ordinator	Needed to take care of the admin of Bread of Heron, and Grain Chain community bread making groups.
808 Transition (t Code 9)	Project for the older members of Mill Hoppers Youth Group who are growing away from the group and becoming mill volunteers.
Shed	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. In 2020 we have been milling for 800 years.
National Lottery Community Fund Covid 19	Funding to adapt our community programmes to deliver online and delivery packages to the elderly
Culture Recovery Fund 2	Funding to support organisations with the costs the will face as they welcome back visitors.
Culture Recovery Fund 1	Funding to continue with preparations for opening the site safely and securely to the public
Elderly (was Powsowdile)	A reminiscence project for the elderly and people with memory loss
Craftermoons and 808 2021 (to Code 41)	Funding to continue with online and video work until sessions can begin face-to-face in the barn with workshops for the elderly and youth
Barn Equipment	To replenish and replace barn equipment
Winter Woolies (to Code 41)	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 2021

4. Restricted Funds RESTRICTED FUNDS SUMMARY 2020

No	Project	Balance b/f		Income 2020		Spend in SOFA	Expenditure 2020				Balance c/f	
		Available to Spend	Per Balance Sheet	Received	Transfer from Unrestricted		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	-	-	-	-	17,897	17,897
9	Hoppers 2017	13,705	13,705	6,000	3,500	11,754	-	-	-	-	11,451	11,451
14	Turbine Cleaning System	53,340	53,340	55,000	-	21	64,267	-	-	(64,267)	44,052	44,052
23	Craftsrooms	9,016	9,016	-	-	1,858	-	-	-	-	7,158	7,158
24	The Grain Chain	10,501	10,501	-	-	895	-	-	-	-	9,606	9,606
28	Project Co-ordinator	1,529	1,529	6,246	-	6,246	-	-	-	-	1,529	1,529
29	808 Transition	1,531	1,531	5,000	-	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)	15,966	-	-	-	1,966	(872)	(872)
35	National Lottery Community Fund Covid 19	-	-	22,450	-	18,971	-	-	-	-	3,479	3,479
37	Heritage Emergency Fund	-	-	19,000	-	19,000	-	-	-	-	-	-
39	Culture Recovery Fund	-	-	68,040	-	25,206	-	-	-	-	42,834	42,834
41	Powsowdle	10,980	10,980	717	-	2,408	-	-	-	-	9,289	9,289
43	Craftsrooms and 808 2021	-	-	3,000	-	496	-	-	-	-	2,504	2,504
56	Barn Equipment	-	-	1,166	-	-	-	-	-	-	1,166	1,166
72	Winter Woolies	4	4	1,295	-	-	-	-	-	-	1,299	1,299
	Totals	138,564	138,564	190,539	-	110,403	64,267	-	-	(62,281)	156,419	156,419

Volunteer Program

Hoppers 2017

Turbine Cleaning System

Craftsrooms

The Grain Chain

Project Co-ordinator

808 Transition

Shed

HLF-800 Years of Milling

National Lottery Community Fund Covid 19

Heritage Emergency Fund

Culture Recovery Fund

Powsowdle

Craftsrooms and 808 2021

Barn Equipment

Winter Woolies

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 areas 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 will be carried forward until the full amount has been raised and evaluation of the options completed.

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

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.

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

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 2021

	2021	2020
	£	£
5. Heritage Lottery Fund		
1220-2020 (800 Years of Milling)	2,625	2,625
National Lottery COVID-19 Fund	-	22,350
Heritage Emergency Fund	-	19,000
Culture Recovery Fund	70,552	68,040
	<u>73,177</u>	<u>112,015</u>

6. Investment Income

	2021	2020
	£	£
Interest Receivable	<u>5</u>	<u>38</u>

7. Net income/(expenditure) for the year

	2021	2020
	£	£
This is stated after charging:		
Depreciation	31,834	26,102
Independent Examination	2,760	2,680

8. Expenditure on charitable activities

Expenditure on charitable activities in 2021 was £104,328 (2020: £123,819) of which £78,580 was restricted (2020: £102,119) and £25,748 was unrestricted (2020: £21,700).

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 2021 amounted to £3,000 (2020 £4,560).

None of the other Trustees received any remuneration during the year, nor were any of the Trustees reimbursed for any expenses (2020 - None).

10. Wages

There were 2 employees under contract by the charity during the year (2020 - 2).

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

	2021	2020
	£	£
Breakdown of costs:		
Gross Wages paid	71,343	70,261
NIC contributions	3,408	3,283
Pension contributions	1,766	1,735
	<u>76,517</u>	<u>75,279</u>

Heron Corn Mill (Beetham) Limited

Notes to the Financial Statements (continued) for the year ended 31 December 2021

11. Related Party Transactions

The following Trustees are also managers of Pelta Medical Papers Ltd (formerly known as BillerudKorsnas Beetham Limited):

Sharon Peill & Robert Dickinson

Pelta Medical Papers 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 Pelta Medical Papers Limited £40,583 in respect of electricity generated by the Turbine (2020: £22,347).

Included in other debtors at the year end is £12,278 due from Pelta Medical Papers Limited (2020: £1,250).

12. Tangible Fixed Assets

	Hydro Turbine £	Other Equipment £	Computer Equipment £	Total £
Cost				
At 1 January 2021	602,751	58,888	6,569	668,208
Additions in year	40,611	2,335	-	42,946
Disposals and write-offs at cost	-	(367)	-	(367)
At 31 December 2021	643,362	60,856	6,569	710,787
Accumulated Depreciation				
At 1 January 2021	220,519	41,859	6,569	268,947
Charged for the year	26,793	5,041	-	31,834
Disposals and write-offs	-	(367)	-	(367)
At 31 December 2021	247,312	46,533	6,569	300,414
Net Book Value				
At 31 December 2021	396,050	14,323	-	410,373
At 31 December 2020	382,232	17,029	-	399,261

Heron Corn Mill (Beetham) Limited

Notes to the Financial Statements (continued) for the year ended 31 December 2021

13. Heritage Assets

Leasehold Property Improvements £

Cost

At 1 January and 31 December 2021

872,030

Net Book Value

At 31 December 2021

872,030

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

	2021	2020
	£	£
HM Revenue & Customs - VAT	-	32
Prepayments and accrued income	36,086	34,317
Other Debtors	12,364	1,250
	<u>48,450</u>	<u>35,599</u>

15. Creditors: amounts falling due within one year

	2021	2020
	£	£
HM Revenue & Customs - PAYE & NIC + VAT	4,388	1,932
Charity Bank loan	6,925	9,421
Other Creditors-Pension	147	145
Trade creditors	21,512	26,975
Accruals and deferred income	2,951	6,103
	<u>35,923</u>	<u>44,576</u>

Heron Corn Mill (Beetham) Limited

Notes to the Financial Statements (continued) for the year ended 31 December 2021

16. Creditors falling due after one year	2021	2020
	£	£
Charity Bank Loan	63,593	102,311
Analysis of loans	£	£
Wholly repayable within five years		
By instalments	-	-
Not wholly repayable within five years		
By instalments	70,518	111,732
	70,518	111,732
Included in current liabilities	6,925	9,421
	63,593	102,311

The Trust has a twenty year loan agreement with the Charity Bank expiring 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. The loan was made in 2 tranches and 1 tranche was fully repaid in December 2021 from surplus unrestricted funds. The balance of the loan will be repaid in Q1 2022 if surplus unrestricted funds remain at least at year end levels.

17. Summary of Net Assets by fund	Restricted Funds	Unrestricted Funds	Total
	£	£	£
	(Note 4)		
Fund balances at 31 December 2021 are represented by:			
Heritage Assets	-	872,030	872,030
Tangible Fixed Assets	-	410,373	410,373
Net Current Assets/(Liabilities)	105,867	92,247	198,114
	105,867	1,374,650	1,480,517
Long Term Liabilities	-	(63,593)	(63,593)
	105,867	1,311,057	1,416,924

Heron Corn Mill (Beetham) Limited

Notes to the Financial Statements (continued) for the year ended 31 December 2021

17. Summary of Net Assets by fund (continued)

	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

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

	2021 £	2020 £
Net movement in funds	82,191	100,302
Add back depreciation	31,834	26,102
Decrease (increase) in debtors	(12,851)	(6,464)
Increase (decrease) in creditors	(6,157)	(132)
Loss (profit) on disposals	(133)	-
Net cash generated in operating activities	94,884	119,808