

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 2022

Heron Corn Mill (Beetham) Limited

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Heron Corn Mill (Beetham) Limited

Report of the Trustees for the year ended 31 December 2022

The Trustees present their report of the charity for the year ended 31 December 2022 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 staff members having to deal with personal health issues. We were however able to continue offering a full programme of events and activities which had been planned and programmed prior to the Creative Project Manager's illness, which kept her from working from the office full time. She was however able to work from home several days per week and kept the fundraising up to date. The weekend programme of youth club activity was continued with the appointing of a new part-time staff member to supervise the group, look after the café and take on some of the fundraising, and began training with the Creative Projects Manager.

We finished the year in a good financial position due to the efficient workings of the new automatic screen cleaning system on the turbine, enabling less downtime and cleaning.

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 2022 (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 2022 to enable a good and safe opening to the public and local community in 2023. 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 2022 were:

- Upkeep of the mill, maintenance and repair, we were able to get millwright help for Stuart, our miller/millwright, in the form of Steve Green Blacksmith who is undertaking a bursary until June 2023.
- 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. Hands-On was funded to help people with dementia and mobility problems to bake and to do craft work with tutors.
- Kept our youth group programme on track in the absence of our Creative Projects Manager. The programme ran as smoothly as it could, with the addition of a new part-time weekend worker.

Heron Corn Mill (Beetham) Limited

Report of the Trustees for the year ended 31 December 2022 (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 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 80 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. Funding has been awarded for a new baking project with teenagers with mental health issues.
- 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. This has been enhanced by Foodie Fridays – where our Bread of Heron bakers make fresh bread for sale after the milling demo, and other charities sell their work in the barn.
- 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 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.

Achievements and Performance

A legacy fund has been awarded from The Expat Foundation for the work we do with projects for the elderly over 3 years.

Heron Corn Mill (Beetham) Limited

Report of the Trustees for the year ended 31 December 2022 (continued)

Financial Review

For the year to 31st Dec 2022 the charity recorded unrestricted income of £183k (prior year £146K). Unrestricted expenditure amounted to £156k (prior year £90k), leaving a surplus over expenditure of £27k (prior year £56k). Adding back depreciation improves the surplus to £59k compared to the comparable surplus of £87k in 2021. This reduction of £28k comes despite a record return from the turbine of £157k – some £50k higher than the income achieved last year. However, this higher turbine income was more than offset by the reduction in Covid-19 grants against unrestricted expenditure, which is why unrestricted expenditure is £66k higher than last year. The balance of £12k is the reduction in Covid-19 emergency grants received last year from SLDC (grant received £16k). Cash was an inflow of £1k in the year (prior year £11k), a reduction of £10k compared to 2021, but this is after paying £71k to fully repay the loan to the Charity Bank.

Reserves Policy

Unrestricted, free reserves as at 31 December 2022 stood at £87,434, which is a slight fall from the 2021 figure of £92,245 by £4,811 but, in the year, the balance of the loan of £70,518 was repaid. Having reached, and now maintained (for two years at least), the policy of having cash reserves to cover a minimum of three months essential operating costs, the next step is to 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 2022 (continued)

Reference and administrative details

| | |
|-----------------------|--|
| Company number: | 06784856 |
| Charity number: | 1131677 |
| Trustees: | Roger Bingham Robert Dickinson Robert Parkinson Sharon Peill Tristan Donato (resigned 24 March 2023) |
| Treasurer: | Carol Elbourne |
| 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 Redwood Bank Limited The Nexus Building Broadway Letchworth Garden City Hertfordshire SG6 3TA |
| 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 2022 (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 2022 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 2022 (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 on12.6.23..... 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 2022 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 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 : 14/06/2023

Heron Corn Mill (Beetham) Limited

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 December 2022

| | Note | Unrestricted Funds (General) 2022 £ | Restricted Funds (Projects) 2022 £ (Note 4) | Total Funds 2022 £ | Total Funds 2021 £ |
|--|------|--|---|--------------------------|--------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | |
| Donations and Legacies | 2 | 6,563 | - | 6,563 | 5,585 |
| Charitable Activities: Grants Received | 3 | 4,667 | 75,550 | 80,217 | 88,160 |
| Other Trading Activities: | | | | | |
| Admissions etc | | 5,141 | 190 | 5,331 | 3,653 |
| Heritage Lottery Fund | 5 | - | 9,480 | 9,480 | 73,177 |
| Sales | | 6,808 | - | 6,808 | 1,863 |
| Turbine Income | | 157,248 | - | 157,248 | 107,174 |
| Investment Income | 6 | 1,334 | - | 1,334 | 5 |
| Other Income | | 980 | 166 | 1,146 | 1,770 |
| TOTAL | | 182,741 | 85,386 | 268,127 | 281,387 |
| EXPENDITURE ON: | | | | | |
| Raising Funds: | | | | | |
| Cost of Goods Sold | | 2,469 | 1,549 | 4,018 | 3,009 |
| Marketing | | - | 106 | 106 | 302 |
| Other Costs | | 235 | 24 | 259 | 78 |
| Wages | 10 | 21,702 | 525 | 22,227 | 20,998 |
| | | 24,406 | 2,204 | 26,610 | 24,387 |
| Charitable Activities: | | | | | |
| Events: | | | | | |
| Artists/Professional Fees | | 2,498 | 30,654 | 33,152 | 25,012 |
| Exhibition Costs | | - | - | - | 378 |
| Travel & Subsistence | | 160 | 1,651 | 1,811 | 1,112 |
| Volunteer Expenses | | 2,179 | 6,583 | 8,762 | 13,197 |
| Wages | 10 | 59,495 | 420 | 59,915 | 47,867 |
| | | 64,332 | 39,308 | 103,640 | 87,566 |
| Property: | | | | | |
| Heat & Light | | 1,988 | - | 1,988 | 1,048 |
| Licences | | 192 | - | 192 | 180 |
| Rates | | 1,291 | - | 1,291 | 1,363 |
| Repairs, Maintenance and Cleaning | | 3,381 | 3,261 | 6,642 | 14,171 |
| | | 6,852 | 3,261 | 10,113 | 16,762 |
| Other Administration: | | | | | |
| Audit & Accountancy Fees | | 3,085 | - | 3,085 | 2,760 |
| Bank Charges | | 81 | - | 81 | 97 |
| Catering/Refreshments | | 686 | 87 | 773 | 240 |
| Depreciation | | 31,810 | - | 31,810 | 31,834 |
| Equipment Purchases | | 377 | 2,979 | 3,356 | 3,259 |
| Insurance | | 5,926 | - | 5,926 | 7,198 |
| IT Hardware/Software | | 1,762 | 504 | 2,266 | 650 |
| Legal Fees | | 4,245 | 273 | 4,518 | 3,520 |
| Post, Packing, Telephone | | 927 | 15 | 942 | 845 |
| Stationery, Consumables, Copying | | 627 | - | 627 | 462 |
| Subscriptions | | 887 | - | 887 | 939 |
| Sundry | | 392 | 108 | 500 | 883 |
| Training | | - | 627 | 627 | 829 |
| Wages | 10 | 7,917 | 105 | 8,022 | 7,652 |
| | | 58,722 | 4,698 | 63,420 | 63,168 |
| Other: | | | | | |
| Loan Interest | | 1,459 | - | 1,459 | 7,313 |
| Other | | - | - | - | - |
| | | 1,459 | - | 1,459 | 7,313 |
| TOTAL | | 155,771 | 49,471 | 205,242 | 199,196 |
| NET INCOME/(EXPENDITURE) BEFORE TRANSFERS | | 26,970 | 35,915 | 62,885 | 82,191 |
| Transfers | 4 | - | - | - | - |
| Admin Charges | 4 | - | - | - | - |
| NET MOVEMENT IN FUNDS | | 26,970 | 35,915 | 62,885 | 82,191 |
| Funds Balances b/f | | 1,311,057 | 105,867 | 1,416,924 | 1,334,733 |
| FUNDS BALANCES c/f | | 1,338,027 | 141,782 | 1,479,809 | 1,416,924 |

Heron Corn Mill (Beetham) Limited

Balance Sheet as at 31 December 2022

| | Note | 2022 £ | 2021 £ |
|--|------|------------------|------------------|
| Fixed Assets | | | |
| Tangible Assets | 12 | 378,563 | 410,373 |
| Heritage Assets | 13 | 872,030 | 872,030 |
| | | <u>1,250,593</u> | <u>1,282,403</u> |
| Current Assets | | | |
| Debtors & Prepayments | 14 | 74,714 | 48,450 |
| Cash at Bank and in Hand | | 186,784 | 185,587 |
| | | <u>261,498</u> | <u>234,037</u> |
| Creditors | | | |
| Amounts falling due within one year | 15 | 32,282 | 35,923 |
| Net Current Assets | | <u>229,216</u> | <u>198,114</u> |
| Total Assets less current liabilities | | <u>1,479,809</u> | <u>1,480,517</u> |
| Long Term Liabilities | | | |
| Charity Bank Loan | 16 | - | 63,593 |
| Net Assets | 17 | <u>1,479,809</u> | <u>1,416,924</u> |
| Funds | | | |
| Unrestricted: General | | 1,338,027 | 1,311,057 |
| Restricted: Projects | 4 | 141,782 | 105,867 |
| | | <u>1,479,809</u> | <u>1,416,924</u> |

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





Trustee/Director

RK Bingham as Trustee & Chairman

Company Registration Number: 06784856

Heron Corn Mill (Beetham) Limited

Cash Flow Statement as at 31 December 2022

| | Note | 2022 £ | 2021 £ |
|--|------|-----------------|-----------------|
| Cash generated in Operating Activities | 20 | <u>71,715</u> | <u>94,884</u> |
| Cash Flows from Investing Activities: | | | |
| Proceeds from the sale of plant and equipment | | - | 133 |
| Purchases of plant and equipment | | <u>-</u> | <u>(42,946)</u> |
| Cash provided by (used in) Investing Activities | | <u>-</u> | <u>(42,813)</u> |
| Cash Flows from Financing Activities: | | | |
| Repayment of borrowing | 16 | (70,518) | (41,214) |
| Cash used in Financing Activities | | <u>(70,518)</u> | <u>(41,214)</u> |
| Increase (decrease) in cash in the year | | 1,197 | 10,857 |
| Cash at the beginning of the year | | 185,587 | 174,730 |
| Total Cash at the end of the year | | <u>186,784</u> | <u>185,587</u> |

Heron Corn Mill (Beetham) Limited

Notes to the Financial Statements for the year ended 31 December 2022

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 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 (FRS102) (effective 1 January 2015)-(Charities SORP (FRS102)), and the Companies Act 2006.

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 2023 and 2024. This, together with the fact that the Charity has positive unrestricted reserves after repaying all 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 2022

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 2022

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 2022

| 2. Donations and Legacies | 2022 | 2021 |
|------------------------------|--------------|--------------|
| | £ | £ |
| Donations from visitors | 1,563 | 585 |
| Donation from BK Beetham Ltd | 5,000 | 5,000 |
| | <u>6,563</u> | <u>5,585</u> |

All donations in 2022 are unrestricted income, as were all the donations in 2021.

3. Grants Received

| Grants were received from the following bodies; | 2022 | 2021 |
|---|---------------|---------------|
| | £ | £ |
| Expat Foundation | 56,000 | - |
| Cumbria Community Foundation | 9,200 | 5,000 |
| SLDC | 2,667 | 16,335 |
| LCVS | 2,000 | 2,000 |
| The Radcliffe Trust | 2,000 | - |
| The Cotton Industry War Memorial | 2,000 | - |
| John Gilpin Trust | 2,000 | - |
| Sharples Fund | 1,500 | - |
| WG Edwards | 1,500 | - |
| Henry Herd Trust | 500 | 1,125 |
| Harold & Alice Bridges | 500 | 1,000 |
| Bryan Lancaster | 350 | - |
| Power To Change | - | 27,440 |
| Garfield Weston | - | 10,000 |
| The Van Neste Foundation | - | 5,000 |
| D'Oyly Carte Charitable Trust | - | 3,000 |
| RHU Foundation | - | 3,000 |
| Schroder Charity Trust | - | 3,000 |
| The Areti Charitable Trust | - | 2,400 |
| Francis Winham | - | 2,000 |
| Fort Foundation | - | 2,000 |
| Elspeth J Thompson | - | 1,200 |
| Sabina Sutherland Charitable Trust | - | 1,000 |
| Persimmons Homes | - | 1,000 |
| Arnold Clark Community Fund | - | 1,000 |
| The GF Charitable Trust | - | 500 |
| Croppers | - | 100 |
| Blakemore | - | 60 |
| | <u>80,217</u> | <u>88,160</u> |

The income from grants received totalled £80,217 in 2022 (2021: £88,160) of which £75,550 was restricted (2021: £61,825) and £4,667 was unrestricted (2021: £26,335).

Heron Corn Mill (Beetham) Limited

Notes to the Financial Statements (continued) for the year ended 31 December 2022

4. Restricted Funds RESTRICTED FUNDS SUMMARY 2022

| No | Project | Balance b/f Available to Spend | Per Balance Sheet | Income 2022 Received | Transfer from Unrestricted | Total | Spend in 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 | 17,511 | 17,511 | 4,350 | - | 4,350 | 3,609 | - | - | - | 3,609 | - | 18,252 | 18,252 |
| 9 | Education | 33,955 | 33,955 | 9,350 | - | 9,350 | 13,714 | - | - | - | 13,714 | - | 29,591 | 29,591 |
| 14 | Turbine Cleaning System | 22,994 | 22,994 | - | - | - | 2,473 | - | - | - | 2,473 | - | 20,521 | 20,521 |
| 24 | The Grain Chain | 7,656 | 7,656 | - | - | - | 5,285 | - | - | - | 5,285 | - | 2,371 | 2,371 |
| 28 | Project Co-ordinator | 1,529 | 1,529 | - | - | - | 1,529 | - | - | - | 1,529 | - | - | - |
| 30 | Trails and Tales | - | - | 9,480 | - | 9,480 | 4,630 | - | - | - | 4,630 | - | 4,850 | 4,850 |
| 31 | Write By The River | - | - | 1,850 | - | 1,850 | 749 | - | - | - | 749 | - | 1,101 | 1,101 |
| 41 | Powsowdle | 22,222 | 22,222 | 60,356 | - | 60,356 | 17,482 | - | - | - | 17,482 | - | 65,096 | 65,096 |
| | Totals | 105,867 | 105,867 | 85,386 | - | 85,386 | 49,471 | - | - | - | 49,471 | - | 141,782 | 141,782 |

Volunteer Program

Education

Turbine Cleaning System

The Grain Chain

Project Co-ordinator

Trails and Tales

Write By The River

Powsowdle

Funding to continue the volunteer program started by the Waterpower Connection Project.

A project to expand and develop its offer to young people in the areas of engineering, arts and other STEM subjects.

To purchase a new self-cleaning system for the turbine, which was installed this year.

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

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

A series of country walks with storytelling, in conjunction with East Meets West asylum seekers and refugees from Lancaster.

A series of creative writing workshops with tutors and group-led sessions.

A reminiscence project for the elderly and people with memory loss.

Heron Corn Mill (Beetham) Limited

Notes to the Financial Statements (continued) for the year ended 31 December 2022

4. Restricted Funds RESTRICTED FUNDS SUMMARY 2021

| No | Project | Balance b/f | Income 2021 | Expenditure 2021 | Balance c/f |
|----|--|--------------------|--------------|------------------|--------------------|
| | | Available to Spend | Received | Spent in SOFA | Available to Spend |
| | | Per Sheet | Unrestricted | Fixed Assets | Per Sheet |
| 7 | Volunteer Program | 17,897 | 3,000 | 4,307 | 17,511 |
| 9 | Education | 11,451 | 19,900 | 1,302 | 33,955 |
| 14 | Turbine Cleaning System | 44,052 | 27,440 | 7,887 | 22,994 |
| 23 | Craftrooms - (to Code 41) | 7,158 | (7,158) | - | - |
| 24 | The Grain Chain | 9,806 | - | 2,150 | 7,656 |
| 28 | Project Co-ordinator | 1,529 | - | - | 1,529 |
| 29 | 808 Transition - (to Code 9) | 3,906 | (3,906) | - | - |
| 33 | Shed | 921 | (921) | - | - |
| 34 | HLF-800 Years of Milling | (872) | 2,625 | 1,753 | - |
| 35 | National Lottery Community Fund Covid 19 | 3,479 | - | 3,382 | - |
| 38 | Culture Recovery Fund 2 | - | 62,992 | 92 | (92) |
| 39 | Culture Recovery Fund 1 | 42,834 | 7,560 | 30,492 | (32,500) |
| 41 | Elderly | 9,289 | 12,142 | 49,635 | 50,394 |
| 43 | Craftrooms and 808 2021 - (to Code 41) | 2,504 | - | 10,170 | - |
| 56 | Barn Equipment | 1,166 | (2,504) | - | - |
| 72 | Winter Woolies - (to Code 41) | 1,299 | (1,299) | 1,166 | - |
| | Totals | 156,419 | 135,659 | 111,278 | 105,867 |
| | | | | 42,946 | (75,446) |
| | | | | (513) | 153,711 |
| | | | | - | 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

| Project | Description |
|--|---|
| 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. |
| Craftrooms (to Code 41) | Funding for a monthly craft workshop for the over 65's led by disabled textile artist Kerry Olerenshaw. |
| 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 (to 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 |
| Craftrooms 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 2022

| | 2022 | 2021 |
|----------------------------------|--------------|---------------|
| | £ | £ |
| 5. Heritage Lottery Fund | | |
| National Lottery Awards For All | 9,480 | - |
| Culture Recovery Fund | - | 70,552 |
| 1220-2020 (800 Years of Milling) | - | 2,625 |
| | <u>9,480</u> | <u>73,177</u> |

6. Investment Income

| | 2022 | 2021 |
|---------------------|--------------|----------|
| | £ | £ |
| Interest Receivable | <u>1,334</u> | <u>5</u> |

7. Net income/(expenditure) for the year

| | 2022 | 2021 |
|---------------------------------------|--------|--------|
| | £ | £ |
| This is stated after charging: | | |
| Depreciation | 31,810 | 31,834 |
| Independent Examination | 2,980 | 2,760 |

8. Expenditure on charitable activities

Expenditure on charitable activities in 2022 was £113,753 (2021: £104,328) of which £42,569 was restricted (2021: £78,580) and £71,184 was unrestricted (2021: £25,748).

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 2022 amounted to £Nil (2021 £3,000). In 2023 it has been agreed to only pay travel expenses.

None of the other Trustees received any remuneration during the year, nor were any of the Trustees reimbursed for any expenses (2021 - None).

10. Wages

There were 3 employees under contract by the charity during the year (2021 - 2).

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

| | 2022 | 2021 |
|-----------------------|---------------|---------------|
| | £ | £ |
| Breakdown of costs: | | |
| Gross Wages paid | 83,667 | 71,343 |
| NIC contributions | 3,554 | 3,408 |
| Pension contributions | <u>2,943</u> | <u>1,766</u> |
| | <u>90,164</u> | <u>76,517</u> |

Heron Corn Mill (Beetham) Limited

Notes to the Financial Statements (continued) for the year ended 31 December 2022

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 (manager until 8 April 2022)

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 £77,777 in respect of electricity generated by the Turbine (2021: £40,583).

Included in other debtors at the year end is £30,653 due from Pelta Medical Papers Limited (2021: £12,278).

12. Tangible Fixed Assets

| | Hydro Turbine £ | Other Equipment £ | Computer Equipment £ | Total £ |
|----------------------------------|-----------------------|-------------------------|----------------------------|----------------|
| Cost | | | | |
| At 1 January 2022 | 643,362 | 60,856 | 6,569 | 710,787 |
| Additions in year | - | - | - | - |
| Disposals and write-offs at cost | - | - | - | - |
| At 31 December 2022 | 643,362 | 60,856 | 6,569 | 710,787 |
| Accumulated Depreciation | | | | |
| At 1 January 2022 | 247,312 | 46,533 | 6,569 | 300,414 |
| Charged for the year | 26,793 | 5,017 | - | 31,810 |
| Disposals and write-offs | - | - | - | - |
| At 31 December 2022 | 274,105 | 51,550 | 6,569 | 332,224 |
| Net Book Value | | | | |
| At 31 December 2022 | 369,257 | 9,306 | - | 378,563 |
| At 31 December 2021 | 396,050 | 14,323 | - | 410,373 |

Heron Corn Mill (Beetham) Limited

Notes to the Financial Statements (continued) for the year ended 31 December 2022

13. Heritage Assets

Leasehold Property Improvements £

Cost

At 1 January and 31 December 2022

872,030

Net Book Value

At 31 December 2022

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

| | 2022 | 2021 |
|---------------|---------------|---------------|
| | £ | £ |
| Prepayments | 42,863 | 36,086 |
| Other Debtors | 31,851 | 12,364 |
| | <u>74,714</u> | <u>48,450</u> |

15. Creditors: amounts falling due within one year

| | 2022 | 2021 |
|---|---------------|---------------|
| | £ | £ |
| HM Revenue & Customs - PAYE & NIC + VAT | 6,303 | 4,388 |
| Charity Bank loan | - | 6,925 |
| Other Creditors-Pension | 484 | 147 |
| Trade creditors | 20,888 | 21,512 |
| Accruals and deferred income | 4,607 | 2,951 |
| | <u>32,282</u> | <u>35,923</u> |

Heron Corn Mill (Beetham) Limited

Notes to the Financial Statements (continued) for the year ended 31 December 2022

| 16. Creditors falling due after one year | 2022 | 2021 |
|--|----------|----------|
| | £ | £ |
| Charity Bank Loan | - | 63,593 |
| Analysis of loans | £ | £ |
| Wholly repayable within five years | | |
| By instalments | - | - |
| Not wholly repayable within five years | | |
| By instalments | - | 70,518 |
| | - | 70,518 |
| Included in current liabilities | - | 6,925 |
| | - | 63,593 |

The Trust had a twenty year loan agreement with the Charity Bank expiring November 2029. The loan was made in 2 tranches and 1 tranche was repaid in December 2021, and the other tranche was repaid in March 2022.

| 17. Summary of Net Assets by fund | Restricted Funds £ (Note 4) | Unrestricted Funds £ | Total £ |
|--|--------------------------------------|----------------------------|------------|
| Fund balances at 31 December 2022 are represented by: | | | |
| Heritage Assets | - | 872,030 | 872,030 |
| Tangible Fixed Assets | - | 378,563 | 378,563 |
| Net Current Assets/(Liabilities) | 141,782 | 87,434 | 229,216 |
| | 141,782 | 1,338,027 | 1,479,809 |
| Long Term Liabilities | - | - | - |
| | 141,782 | 1,338,027 | 1,479,809 |

Heron Corn Mill (Beetham) Limited

Notes to the Financial Statements (continued) for the year ended 31 December 2022

17. Summary of Net Assets by fund (continued)

| | Restricted Funds £ (Note 4) | Unrestricted Funds £ | Total £ |
|--|--------------------------------------|----------------------------|------------|
| 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 |

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

| | 2022 £ | 2021 £ |
|---|---------------|---------------|
| Net movement in funds | 62,885 | 82,191 |
| Add back depreciation | 31,810 | 31,834 |
| Decrease (increase) in debtors | (26,264) | (12,851) |
| Increase (decrease) in creditors | 3,284 | (6,157) |
| Loss (profit) on disposals | - | (133) |
| Net cash generated in operating activities | 71,715 | 94,884 |