

# **Rydal Hall Limited**

(A company limited by guarantee)

## **Consolidated Annual Report and Financial Statements**

**31 December 2020**

**Company registration number: 02561024  
Charity registration number: 1176419**



## **Rydal Hall Limited**

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**Rydal Hall Limited**  
**Reference and Administrative Details**

<b>Charity name</b>	Rydal Hall Limited	
<b>Charity registration number</b>	1176419	
<b>Company registration number</b>	02561024	
<b>Principal office</b>	Rydal Hall AMBLESIDE LA22 9LX	
<b>Registered office</b>	Church House Friargate PENRITH CA11 7XR	
<b>Trustees</b>	Rev M P Jayne	(Resigned 23 March 2021)
	D S Hurton	(Resigned 15 December 2020)
	J Rushton	
	Rev W E Sanders	
	P N Yates	
	Rev D M Wilnot	(Resigned 15 December 2020)
	The Venerable Dr R D Pratt	
	R D Jaques	(Appointed 15 December 2020)
	N Lancaster	(Appointed 19 May 2021)
	A Whigham	(Appointed 27 May 2021)
<b>Secretary</b>	R D Jaques	
<b>Accountant</b>	Dodd & Co Limited FIFTEEN Rosehill Montgomery Way Rosehill Estate CARLISLE CA1 2RW	

**Rydal Hall Limited**  
**Trustees' Report for the Year Ended 31 December 2020**

The Trustees, who are directors of the Company for the purposes of company law, present their annual report together with the financial statements of the Group and Charity for the year ended 31 December 2020. The annual report serves the purpose of both a trustees' report and director's report under company law.

**Governing Document**

Rydal Hall Limited was incorporated on 21 November 1990 as a trading subsidiary of Carlisle Diocesan Board of Finance. It obtained charity registration on 21 December 2017 (number 1176419) and started to operate as a charity from 1 January 2018. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association as amended on 13 December 2013.

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.

**Appointment of Directors/Trustees**

Up to three Trustees can be appointed by the Carlisle Diocesan Board of Finance for a three year term. Up to an additional five, who shall not be employees or officers of the Carlisle Diocesan Board of Finance, can be appointed by a resolution of the Trustees. One third (or the number nearest one third) of the Trustees appointed by resolution of the Trustees, must retire at a meeting called for that purpose. A retiring Trustee may be reappointed.

Trustees will, on a regular basis, assess the need for and provide any Trustee training as may be required.

**Risk Assessment**

The trustees have examined the major strategic, business and operational risks which the charity faces and confirms that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

The group's principal financial assets are bank balances and cash and trade and other receivables.

The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

**Investment powers and restrictions**

The Trustees have the power to invest in such assets as they see fit after seeking suitable expert advice if considered necessary.

## **Rydal Hall Limited**

### **Trustees' Report for the Year Ended 31 December 2020**

#### **Objectives and Activities**

The objects of the charity are:

- To promote and assist the work of the church of England for the advancement of the Christian religion in the Diocese of Carlisle and county of Cumbria
- To advance the Christian religion by (but without prejudice to the generality of the foregoing):
- Providing a welcome and retreat house and facilities for members of the public from within and outside the county wishing to learn about and/or practice the Christian religion;
- Developing and providing opportunities for growth in prayer, mission and spirituality within the Diocese of Carlisle and county of Cumbria;
- Such other exclusively charitable purposes according to the law of England and Wales that the trustees in their absolute discretion decide from time to time.

In setting the objectives of the charity the trustees have complied with the Charity Commission guidance on public benefit.

#### **Achievements and Performance**

Following an encouraging increase in income in 2019 and a strong order book for 2020, the year was seen as presenting a likelihood of returning to a financial break-even on which to build. However, the outbreak of the coronavirus pandemic, and the catastrophic impact it has on the Lake District hospitality sector, the Trustees and staff team were required to act quickly, decisively and with great flexibility throughout the remainder of the year to minimise the inevitable losses which the enforced closure, and then limited appetite for group holidays, would bring.

Use of the government 'furlough' scheme and applying for local covid-related grants helped to reduce the losses to some extent, and it is of great testament to the staff that they were able to welcome guests, where allowed, in a safe and welcoming way. Costs were minimised where they could be.

The Trustees continue to be grateful for the contributions made from the 'Friends of Rydal Hall' group, both through their support of the Rydal Community, and through many hours of time volunteered on site with practical support.

#### **Financial Review**

The group recorded a deficit for the year £229,945, primarily as a result of the pandemic. Group income fell significantly to £692,809, a fall of £332,043 despite government grants of £182,779. Costs were reduced by £126,378 to £922,754.

A charitable donation of £985 was made from the trading subsidiary to the parent charity.

Closing reserves were £246,066 in deficit, with no restricted reserves held at year end.

#### **Diocesan Support**

In the light of historic and pandemic-related losses, the charity's ultimate owner, the Carlisle Diocesan Board of Finance, undertook a review of the value of the estate, potential future income and expenditures, and the impact of mission and ministry carried out in and through Rydal Hall. Diocesan Synod in March 2021, approved almost unanimously, to retain and support the activities at Rydal Hall as an important part of its 'God for All' vision, committing finances to restore the charity's reserves in 2021, and to provide additional capital to provide a stronger future.

#### **Reserves Policy**

The Charity's reserves policy is to move to a position where it has free reserves equal to two month's group expenditure which, based on 2020 expenditure would be £153,792. Free reserves at 31 December 2020 were £323,753 in deficit. This is calculated as total unrestricted reserves less any fixed assets held by the charity. It is anticipated that grant funding from the DBF and others in 2021 will restore the charity's reserves, although the impact in 2021 of the pandemic remains uncertain.

## **Rydal Hall Limited**

### **Trustees' Report for the Year Ended 31 December 2020**

#### **Impact of Coronavirus - 2021**

The impact of coronavirus has continued into 2021, with the Hall and most elements of its activity closed until May. However, government and other grant receipts, cost reductions and a careful return to welcoming guests, along with a strong order book and loyal customer base, form an emerging picture of Rydal Hall starting to return to financial stability and an exciting future.

At the date of signing the accounts, the impact of coronavirus continues, and the Trustees will continue to closely monitor the situation and act to minimise losses, maximising use of government support where available.

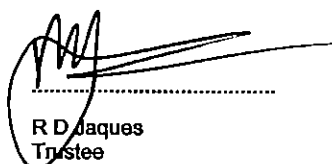
#### **Disclosure of information to the auditors**

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

#### **Small company provisions**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 14 September 2021 and signed on its behalf by:



R D Jaques  
Trustee

## **Rydal Hall Limited**

### **Trustees' Responsibilities in relation to the Financial Statements**

The trustees (who are also directors of Rydal Hall Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 income and expenditure, of the charitable company for that period. 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records 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.

22.11.2020  
9.11.2020  
2.11.2020

**Independent Auditors' Report to the Trustees of  
Rydal Hall Limited**

**Opinion**

We have audited the financial statements of Rydal Hall Limited for the year ended 31 December 2020 which comprise a Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Emphasis of matter**

We draw attention to note 1 of the financial statements, in which the members present their assessment of the impact of Covid-19 on the charitable group and describe the basis for which the group has adopted the going concern policy. As stated in note 1, the group is dependent on the ongoing support of its parent charity, Carlisle Diocesan Board of Finance (CDBF) in order to continue trading. CDBF has confirmed such support shall continue to be provided and on that basis, the charity remains a going concern.

Our opinion is not modified in this respect.

**Other Information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



**Independent Auditors' Report to the Trustees of  
Rydal Hall Limited**

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**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

•the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

•the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- certain disclosures of trustees' remuneration specified by law are not made; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

**Responsibilities of the trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

**Independent Auditors' Report to the Trustees of  
Rydal Hall Limited**

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**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and charitable company's performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
  - the matters discussed among the audit engagement team and involving relevant internal specialists, including pensions regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud to be in relation to revenue recognition and management override which, in common with all audits under ISAs (UK), we are required to perform specific procedures to respond to this risk.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Charities Act, pensions legislation and tax legislation.

As a result of performing the above, in response to the risks identified, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

**Independent Auditors' Report to the Trustees of  
Rydal Hall Limited**

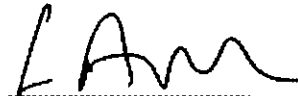
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We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Faye Armstrong (Senior Statutory Auditor)  
For and on behalf of Dodd & Co Limited, Statutory Auditor

FIFTEEN Rosehill  
Montgomery Way  
Rosehill Estate  
CARLISLE  
CA1 2RW

Dodd & Co Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**Rydal Hall Limited**

**Consolidated Statement of Financial Activities (Including Income and Expenditure Account) for the  
Year Ended 31 December 2020**

		Unrestricted Funds	Total Funds 2020	Total Funds 2019
	Note	£	£	£
<b>Income and endowments from:</b>				
Donations and legacies	2	184,192	184,192	7,582
Rydal Hall Trading Limited trading activities	3	217,717	217,717	349,131
Investments	4	399	399	1,312
Charitable activities	5	247,994	247,994	665,861
Other	6	42,507	42,507	966
<b>Total income and endowments</b>		<b>692,809</b>	<b>692,809</b>	<b>1,024,852</b>
<b>Expenditure on:</b>				
Charitable activities		922,754	922,754	1,049,132
<b>Total expenditure</b>		<b>922,754</b>	<b>922,754</b>	<b>1,049,132</b>
<b>Net movements in funds</b>		<b>(229,945)</b>	<b>(229,945)</b>	<b>(24,280)</b>
<b>Reconciliation of funds</b>				
Total funds brought forward		(216,721)	(216,721)	(192,441)
Total funds carried forward		<u>(446,666)</u>	<u>(446,666)</u>	<u>(216,721)</u>

All of the group's activities derive from continuing operations during the above periods.

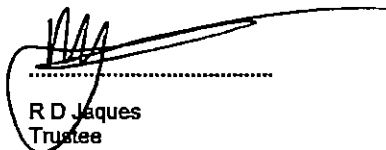
The notes on pages 14 to 26 form an integral part of these financial statements.

**Rydal Hall Limited**  
**Company registration number: 02561024**  
**Consolidated Balance Sheet as at 31 December 2020**

		2020		2019	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		77,687		72,149
<b>Current assets</b>					
Stocks and work in progress		5,261		8,689	
Debtors	14	31,523		40,447	
Cash at bank and in hand		<u>165,880</u>		<u>195,665</u>	
		202,664		244,801	
<b>Creditors: Amounts falling due within one year</b>	15	<u>(526,417)</u>		<u>(333,071)</u>	
<b>Net current liabilities</b>			<u>(323,753)</u>		<u>(88,270)</u>
<b>Net liabilities</b>			<u>(246,066)</u>		<u>(16,121)</u>
<b>The funds of the charity:</b>					
<b>Unrestricted funds</b>					
Called up share capital			200,600		200,600
Unrestricted income funds			<u>(446,666)</u>		<u>(216,721)</u>
<b>Total unrestricted funds</b>			<u>(246,066)</u>		<u>(16,121)</u>
<b>Total charity funds</b>			<u>(246,066)</u>		<u>(16,121)</u>

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

Approved by the Board on 14 September 2021 and signed on its behalf by:

  
 R D Jaques  
 Trustee

The notes on pages 14 to 26 form an integral part of these financial statements.

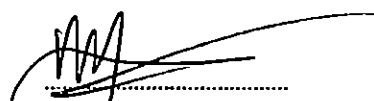
**Rydal Hall Limited**  
**Charity Balance Sheet as at 31 December 2020**

		2020	2019
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	12	77,687	72,149
Investments	13	<u>1</u>	<u>1</u>
		77,688	72,150
<b>Current assets</b>			
Stocks and work in progress		5,261	8,689
Debtors	14	31,523	40,447
Cash at bank and in hand		<u>165,880</u>	<u>195,665</u>
		202,664	244,801
<b>Creditors: amounts falling due within one year</b>	15	<u>(526,418)</u>	<u>(333,072)</u>
<b>Net current liabilities</b>		<u>(323,754)</u>	<u>(88,271)</u>
<b>Net (liabilities)/assets</b>		<u>(246,066)</u>	<u>(16,121)</u>
<b>The funds of the charity:</b>			
<b>Unrestricted funds</b>			
Called up share capital		200,600	200,600
Unrestricted income funds		<u>(446,666)</u>	<u>(216,721)</u>
<b>Total unrestricted funds</b>		<u>(246,066)</u>	<u>(16,121)</u>
<b>Total charity funds</b>		<u>(246,066)</u>	<u>(16,121)</u>

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

No Statement of Financial Activity is presented for the charity as permitted by Section 408 of the Companies Act 2006. The charity posted a deficit for the financial year of £229,945 (2019 - deficit of £24,280).

Approved by the Board on 14 September 2021 and signed on its behalf by:

  
 R D Jaques  
 Trustee

The notes on pages 14 to 26 form an integral part of these financial statements.

**Rydal Hall Limited**  
**Cash Flow Statement for the Year Ended 31 December 2020**

	2020 £	2019 £
<b>Net cash provided by (used by) operating activities</b>		
Net expenditure for the period	(229,945)	(24,280)
Depreciation charges	18,693	15,673
Decrease/(increase) in stocks	3,428	(2,534)
Decrease in debtors	8,924	20,333
Increase in creditors	193,346	35,509
	<u>(5,554)</u>	<u>44,701</u>
<b>Net cash provided by (used in) investing activities</b>		
Purchase of property, plant and equipment	(24,231)	(15,733)
	<u>(24,231)</u>	<u>(15,733)</u>
<b>Decrease in cash</b>	<u>(29,785)</u>	<u>(28,968)</u>

The notes on pages 14 to 26 form an integral part of these financial statements.

## **Rydal Hall Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **1 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

##### **Basis of preparation**

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Going concern**

These financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

The group is dependent on the ongoing support of its parent charity, Carlisle Diocesan Board of Finance (CDBF), in order to continue trading. CDBF has confirmed such support shall continue to be provided and on that basis the charity remains a going concern.

##### **Fund accounting policy**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Further details of each fund are disclosed in note 20.



## **Rydal Hall Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

..... continued

#### **Income and endowments**

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measured with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

#### **Expenditure**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### **Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

#### **Taxation**

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Fixed assets**

Individual fixed assets costing £100 or more are initially recorded at cost.

## **Rydal Hall Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

..... continued

#### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Leasehold land and buildings	10 years straight line basis
Plant and machinery	25% straight line basis or 10 years straight line basis
Fixtures and fittings	25% straight line basis

#### **Stock**

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

#### **Trade Debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Liabilities**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Operating leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

#### **Pensions**

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

## Rydal Hall Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020

..... continued

#### Financial Instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### Consolidation

Consolidation financial statements have been prepared on a line by line basis in accordance with FRS102 and the Charities Act 2011.

The consolidated financial statements incorporate the accounts of:

- Rydal Hall Limited, the parent
- Rydal Hall Trading Limited, the wholly owned subsidiary.

## 2 Donations and legacies

	Unrestricted Funds £	Total Funds 2020 £	Total Funds 2019 £
<b>Donations and legacies</b>			
Garden tours and donations	1,413	1,413	7,582
<b>Grants</b>			
Government grants receivable	182,779	182,779	-
	<u>184,192</u>	<u>184,192</u>	<u>7,582</u>

Of the donations and legacies income in 2019, £7,582 related to unrestricted funds.

**Rydal Hall Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2020**

..... continued

**3 Rydal Hall Trading Limited trading activities**

	Unrestricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£
Cottages	31,069	31,069	35,161
Pods	6,497	6,497	11,364
Youth	10,208	10,208	29,187
Camping and car park	57,971	57,971	57,186
Sale of logs	179	179	244
Tea shop	95,796	95,796	187,853
Yurt	9,297	9,297	18,536
Herdy huts	6,700	6,700	9,600
	<u>217,717</u>	<u>217,717</u>	<u>349,131</u>

Of the other trading activities income in 2019, £349,131 related to unrestricted funds.

**4 Investments**

	Unrestricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£
Interest on cash deposits	399	399	1,312

Of the investment income in 2019, £1,312 related to unrestricted funds.

**5 Charitable activities**

	Unrestricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£
Bar and Hall Shop takings	16,152	16,152	34,780
Miscellaneous receipts	7,039	7,039	18,318
Room hire	729	729	3,148
Hall	224,074	224,074	609,615
	<u>247,994</u>	<u>247,994</u>	<u>665,861</u>

Of the income from charitable activities in 2019, £665,861 related to unrestricted funds.

**Rydal Hall Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2020**

..... *continued*

**6 Other**

	<b>Unrestricted Funds £</b>	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Insurance claim receipts	41,520	41,520	-
Water and hydro-electric receipts	987	987	966
	<u>42,507</u>	<u>42,507</u>	<u>966</u>

Of the other income in 2019, £966 related to unrestricted funds.

# Rydal Hall Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

..... continued

### 7 Expenditure

	Rydal Hall Trading	Charitable activities	Total 2020	Total 2019
	£	£	£	£
<b>Direct costs</b>				
Food purchases - adjusted for stock	21,553	41,962	63,515	134,768
Employment costs	116,815	418,401	535,216	581,794
Rent and rates	27,895	32,105	60,000	60,000
Rates	7,043	8,106	15,149	14,951
Electricity, gas and water system	17,795	20,481	38,276	42,820
Insurance	8,649	9,954	18,603	18,025
Repairs and maintenance	61,664	38,746	100,410	79,520
Upkeep of grounds	742	854	1,596	94
Garden Project general expenditure	842	969	1,811	7,967
Telephone and fax	1,887	2,172	4,059	3,860
Computer software and maintenance costs	6,136	7,062	13,198	12,449
Printing, postage and stationery	1,160	1,336	2,496	3,947
Hire of plant and machinery	426	491	917	2,070
Sundry expenses	993	1,278	2,271	4,296
Cleaning	4,649	10,943	15,592	29,867
Management charges payable	3,719	4,281	8,000	8,000
Motor expenses	243	280	523	1,299
Advertising	3,196	3,678	6,874	10,296
	<u>285,407</u>	<u>603,099</u>	<u>888,506</u>	<u>1,016,023</u>
<b>Support costs</b>				
The audit of the charity's annual accounts	700	4,000	4,700	4,700
Auditors' remuneration - non audit work	-	2,625	2,625	2,550
Legal and professional fees	716	823	1,539	2,417
Bank charges	2,399	4,292	6,691	7,769
Depreciation of plant and machinery	-	18,693	18,693	15,673
	<u>3,815</u>	<u>30,433</u>	<u>34,248</u>	<u>33,109</u>
	<u>289,222</u>	<u>633,532</u>	<u>922,754</u>	<u>1,049,132</u>

Of the expenditure in 2019, £1,049,132 related to unrestricted funds. Of this, £779,160 related to Rydal Hall Limited and £269,972 related to Rydal Hall Trading Limited.

# **Rydal Hall Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2020**

..... continued

### **8 Governance costs**

	2020	2019
	£	£
Auditors remuneration	4,700	4,700
Auditors remuneration - non audit work	2,625	2,550
Management charges	8,000	8,000
Legal and professional fees	1,539	4,875
	<u>16,864</u>	<u>20,125</u>

### **9 Trustees' remuneration and expenses**

No trustees received any remuneration during the year.

### **10 Net expenditure**

Net expenditure is stated after charging:

	2020	2019
	£	£
Auditors' remuneration - audit services	4,700	4,700
Depreciation of tangible fixed assets	<u>18,693</u>	<u>15,673</u>

### **11 Employees' remuneration**

The monthly average number of persons (including senior management) employed by the charity during the year was as follows:

	2020 No.	2019 No.
Rydal Hall	<u>30</u>	<u>34</u>

The aggregate payroll costs of these persons were as follows:

	2020 £	2019 £
Wages and salaries	454,754	501,879
Social security	27,378	27,838
Other pension costs	<u>52,856</u>	<u>51,325</u>
	<u>534,988</u>	<u>581,042</u>

No employee received emoluments of more than £60,000 during the year.

The key management personnel comprise the Trustees. The total employee benefits of the key management personnel of the Charity were £nil (2018 - £nil).

**Rydal Hall Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2020**

..... continued

**12 Tangible fixed assets**

	Leasehold land and buildings £	Plant and machinery including motor vehicles £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
As at 1 January 2020	111,795	20,797	29,349	161,941
Additions	18,674	5,557	-	24,231
As at 31 December 2020	<u>130,469</u>	<u>26,354</u>	<u>29,349</u>	<u>186,172</u>
<b>Depreciation</b>				
As at 1 January 2020	70,179	6,543	13,070	89,792
Charge for the year	7,235	3,915	7,543	18,693
As at 31 December 2020	<u>77,414</u>	<u>10,458</u>	<u>20,613</u>	<u>108,485</u>
<b>Net book value</b>				
As at 31 December 2020	<u>53,055</u>	<u>15,896</u>	<u>8,736</u>	<u>77,687</u>
As at 31 December 2019	<u>41,616</u>	<u>14,254</u>	<u>16,279</u>	<u>72,149</u>

**13 Investments in subsidiaries**

The charity holds more than 20% of the share capital of the following company:

	Country of Incorporation	Principal activity	Class	%
<b>Subsidiary undertakings</b>				
Rydal Hall Trading Limited	United Kingdom	Provision of camp site facilities	Ordinary	100
		<b>Capital &amp; reserves £</b>		<b>Profit/(loss) for the period £</b>
<b>Subsidiary undertakings</b>				
Rydal Hall Trading Limited			1	-



**Rydal Hall Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2020**

..... continued

**14 Debtors**

**Group**

	2020 £	2019 £
Trade debtors	395	6,839
Other debtors	25,258	26,738
Prepayments and accrued income	5,870	6,870
	<u>31,523</u>	<u>40,447</u>

**Charity**

	2020 £	2019 £
Trade debtors	395	6,839
Other debtors	25,258	26,738
Prepayments and accrued income	5,870	6,870
	<u>31,523</u>	<u>40,447</u>

**15 Creditors: Amounts falling due within one year**

**Group**

	2020 £	2019 £
Trade creditors	8,558	21,090
Amounts owed to group undertakings	353,901	176,868
Taxation and social security	4,349	26,668
Other creditors	149,095	96,936
Accruals and deferred income	10,514	11,509
	<u>526,417</u>	<u>333,071</u>

**Charity**

	2020 £	2019 £
Trade creditors	8,558	21,090
Amounts owed to group undertakings	354,552	177,519
Taxation and social security	4,349	26,668
Other creditors	149,095	96,936
Accruals and deferred income	9,864	10,859
	<u>526,418</u>	<u>333,072</u>

# **Rydal Hall Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2020**

..... continued

### **16 Share capital**

	2020	2019
	£	£
Allotted, called up and fully paid Ordinary £1 share capital	200,600	200,600
	<u>200,600</u>	<u>200,600</u>

### **17 Operating lease commitments**

As at 31 December 2020 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and Buildings	
	2020	2019
	£	£
Within one year	<u>60,000</u>	<u>60,000</u>

### **18 Pension scheme**

#### **Defined contribution pension scheme**

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £52,856 (2019 - £51,325).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

# **Rydal Hall Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2020**

..... continued

### **19 Related parties**

#### **Controlling entity**

Rydal Hall Limited is a subsidiary of Carlisle Diocesan Board of Finance (registered charity) who is the sole shareholder of the charity, and ultimate controlling party of Rydal Hall Trading Limited, which is wholly owned by Rydal Hall Limited.

During the year the Charity paid rent to Carlisle Diocesan Board of Finance of £60,000 (2019 - £60,000). The Charity also paid a management fee to Carlisle Diocesan Board of Finance of £8,000 (2019 - £8,000).

The balance due to Carlisle Diocesan Board of Finance at 31 December 2020 is £352,362 (2019 - £176,868).

During the year Rydal Hall Trading Limited committed to making a donation to Rydal Hall Limited of £985 (2019 - £79,159). The balance due to Rydal Hall Trading Limited at 31 December 2020 is £nil (2019 - £nil).

### **20 Analysis of funds**

	At 1 January 2020	Incoming resources	Resources expended	At 31 December 2020
	£	£	£	£
<b>General Funds</b>				
Unrestricted Income fund	(216,721)	692,809	(922,754)	(446,666)

**Rydal Hall Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2020**

..... continued

**Prior period**

	At 1 January 2019	Incoming resources	Resources expanded	At 31 December 2019
	£	£	£	£
<b>General Funds</b>		-		
Unrestricted income fund	(192,441)	1,024,852	(1,049,132)	(216,721)

**21 Net assets by fund**

	Unrestricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£
Tangible assets	77,687	77,687	72,149
Current assets	202,664	202,664	244,801
Creditors: Amounts falling due within one year	(526,417)	(526,417)	(333,071)
Ordinary share capital	(200,600)	(200,600)	(200,600)
Net assets	(446,666)	(446,666)	(216,721)

**Prior period**

	Unrestricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£
Tangible assets	72,149	72,149	72,089
Current assets	244,801	244,801	233,632
Creditors: Amounts falling due within one year	(333,071)	(333,071)	(297,562)
Ordinary share capital	(200,600)	(200,600)	(200,600)
Net assets	(216,721)	(216,721)	(192,441)