

Company registration number: 01397038

Charity registration number: 508300

# Heritage Trust For The North West

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

Rawcliffe & Co Limited  
Unit 1 Barons Court  
Graceways  
Whitehills Business Park  
Blackpool  
Lancashire  
FY4 5GP

## **Heritage Trust For The North West**

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## **Heritage Trust For The North West**

### **Reference and Administrative Details**

#### **Chairman**

Mr John Turner

#### **Chief Executive Officer**

Ms Elizabeth Moss

#### **Charity Registration Number**

508300

#### **Company Registration Number**

01397038

#### **Registered Office**

Park Hill  
Barrowford  
Nelson  
Lancashire  
BB9 6JQ

#### **Auditor**

Rawcliffe & Co Limited  
Unit 1 Barons Court  
Graceways  
Whitehills Business Park  
Blackpool  
Lancashire  
FY4 5GP

## **Heritage Trust For The North West**

### **Strategic Report for the Year Ended 31 March 2023**

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2023, in compliance with s414C of the Companies Act 2006.

#### **Achievements and performance**

As a charitable trust responsible for the ownership and/or operational management of over 30 heritage properties, facing the impact of the economic and cost of living crisis, has required the charity to work closely with partner organisations, funders and stakeholders to enable its longevity.

As a charitable trust, we are financially reliant on earned income, as well as charitable income. This includes income sources from rental, visitor attractions and events, as well as grants and donations. Our visitor attractions, such as Lytham Hall and Pendle Heritage Centre, have hundreds of thousands of visitors yearly. These sites greatly benefit the health and well-being of the visitors and volunteers who support them. To open these properties, we rely on staff working in various disciplines, including management, catering and hospitality and volunteers supporting grounds maintenance, stewarding, conservation and many other areas.

Heritage Trust for the North West has combined its knowledge, know-how, skills, experience and connections to ride the challenges of 2022-2023 and is building new foundations to enable it to survive future inevitable challenges. New accounting and business management procedures and policies have been established. In this financial year the charity sought new Accountants to work in support of the Trustees to get a more thorough understanding of the organisations financial position. In this financial year, we have started relationships with new accountants and auditors. The start of 2023 has also seen the installation of a new networked accounting system that will work across the charity's numerous sites, to enable more straightforward, effective, and transparent reporting.

2022's business strategic review has included rationalising the charity's extensive property portfolio to reduce costs, outstanding mortgage debt and, consequently, interest charges, which have risen considerably in the last two years. A few non-core properties were sold towards the end of the financial year, and it is intended to sell several other properties over the coming months.

In 2022 Bank Hall was removed from the Heritage at Risk Register as its restoration was completed. The two-decade campaign to save the Grade II\* listed hall from ruin, has been very successful. A full restoration began in 2017, overseen by Heritage Trust for the North West, with support from Friends of Bank Hall, National Lottery Heritage Fund and property developers Next Big Thing Developments. Bank Hall has now been returned to its former glory and welcomes new residents into plush apartments. The Prospect Tower, along with the grounds, has become a visitor site with access to the public coordinated by HTNW and the Friends.

In 2022, the Grade I listed, Lytham Hall won a national award for its restoration and was recently removed from the Heritage at Risk Register. After an extensive 6-year restoration programme by Heritage Trust for the North West, the hall became the joint winner of the highly prestigious Historic Houses Association "Restoration of the Year Award". It was fabulous to receive national recognition from within the stately homes industry for the incredible achievements of the staff and volunteers. We are grateful for the many volunteers, charities and funding projects that have supported the restoration work. Lancashire's finest Georgian house, with its 78 acres of historic Grade II listed parkland now has 40 staff, over 320 active volunteers and is visited by over 240,000 people a year.

Pendle Heritage Centre has seen significant efforts to remodel the site as a social enterprise hamlet by putting heritage into the social and well-being environment. The team's progress has been significant, work is ongoing and continues into 2023.

## **Heritage Trust For The North West**

### **Strategic Report for the Year Ended 31 March 2023**

#### **Financial review**

The attached statement of financial activities shows how funds were raised and applied during the year. This statement separates funds which the charity controls itself (unrestricted funds) from those that have to be spent in a manner determined by the donor (restricted funds).

The trust operates two trading subsidiaries, L.H.T. Enterprises Limited and Conservation Services N.W. Limited, the current year results of which are set out in the notes to the accounts. During the year management charges of £234,166 (2022: £215,288) and £53,314 (2022: £Nil) were received from L.H.T. Enterprises Limited and Conservation Services N.W. Limited respectively.

The trustees consider the results for the year to be satisfactory.

#### ***Policy on reserves***

It is the policy of the charity to maintain unrestricted funds, which are free reserves of the charity, at levels which equate to an excess of its projected needs for the forthcoming months, thereby providing sufficient funds to cover management, administration and support costs and enable the ongoing development of projects. The trustees believe the net asset position is sufficient to satisfy such requirements, although these levels of free reserves are reviewed regularly.

#### ***Funds in deficit***

During the year ended 31st March 2023 the incoming resources amounted to £1,936,944 (which represented an increase of £84,181 compared to the previous year) while resources expended amounted to £1,979,103 (which represented an increase of £250,872 compared to the previous year). The net result for the year was a deficit of £42,159 (2022 surplus £124,532).

#### **Plans for future periods**

##### ***Aims and key objectives for future periods***

Looking forward to the year ahead the company's focus is on giving strong sustainability to the trust and establishing new foundations. This will involve consolidating elements of the trust to give financial robustness, furthering our governance rigour, concluding long-term funded projects and embarking on establishing funding and support for major projects at Lytham Hall, Pendle Heritage Centre, Higherford Mill as well as a number of other opportunities being considered.

## Heritage Trust For The North West

### Strategic Report for the Year Ended 31 March 2023

#### *Principal risks and uncertainties*

##### *Economic and cost of living crisis*

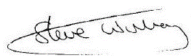
The UK is experiencing an economic and cost of living crisis.

The trustees continue to examine the major strategic, business and operational risks which the charity faces and confirm that systems have been established to ensure that regular reports are produced and that necessary steps can be taken to address any issues arising.

The trustees have identified the major risks to which the charity is exposed and procedures to manage those risks have been put in place.

The strategic report was approved by the trustees of the charity on 30 January 2024 and signed on its behalf by:

DocuSigned by:



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Mr Stephen Mark Williams  
Trustee

## **Heritage Trust For The North West**

### **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2023.

#### **Objectives and activities**

##### ***Objects and aims***

The principal activities of the company are to promote and preserve for the benefit of the people of the North West of England and of the nation at large, whatever of the English historical, architectural, natural, social or scientific heritage which may exist in or near to the aforesaid region, and to advance the education and the cultural development of the public in these matters, and to undertake such other charitable activities as may benefit the inhabitants of or visitors to the area. The company has also established various trading activities designed to enhance and subsidise the charitable activities of the trust.

##### ***Public benefit***

The trustees are confident that the charity offers services of real and practical use to the local population.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

##### ***Use of volunteers***

The company relies on voluntary help for many of its activities.

#### **Trustees and Officers**

The trustees and officers serving during the year and since the year end were as follows:

Trustees:

Ms Elizabeth Moss

Mr Stephen Mark Williams

Ms Laurie Peake

Mr John Turner

Mr Mark Francis Whitlock Blundell

Mr Lawrence E Stanworth (retired 31 December 2022)

Mr Michael J R Bannister (retired 31 December 2022)

Chairman:

Mr John Turner

Chief Executive Officer:

Ms Elizabeth Moss

#### **Structure, governance and management**

##### ***Nature of governing document***

The company was incorporated under the Companies Act on 31st October 1978 under the name Lancashire Heritage Trust Limited. The company is a private company limited by guarantee and not having a share capital, exempted by the Secretary of State from the requirement to use the word "limited" in its name. The liability of each member is limited to an amount not exceeding £1. The company was registered as a charity on 14th December 1978 under the provisions of the Charities Acts (Charity number: 508300).

## **Heritage Trust For The North West**

### **Trustees' Report**

#### ***Recruitment and appointment of trustees***

Trustees are appointed to reflect the skills required to support the Board and its range of activities. Recruitment is either through advertising or by individual contact.

#### ***Induction and training of trustees***

A full orientation is offered on the services provided and the roles and responsibilities of a trustee, including their legal obligations under charity and company law. All appointees are informed of the content of the Memorandum and Articles of Association and the committee and decision-making processes of the charity.

#### ***Organisational structure***

The Board currently consists of the trustees and is responsible for key policy decisions and the effective governance of the organisation overall. The Board meets on a regular basis but as a minimum four times per year.

#### **Relationships with related parties**

##### **Subsidiary companies**

Heritage Trust for the North West owns 100% of two trading subsidiaries; L.H.T. Enterprises Limited and Conservation Services N.W. Limited.

##### **Other companies**

Previously exerted influence over a further two companies; Greater Manchester Building Preservation Trust Limited and Cumbria Building Preservation Trust Limited.

##### **Branches**

Heysham Heritage Association continues to support the company's efforts to maintain a Heritage Centre in Heysham Village.

Heysham Heritage Association is considered a branch of the main charity but is an individual entity that holds a separate bank account. The funds of Heysham Heritage Association are not included within the accounts as they are immaterial.

#### ***Major risks and management of those risks***

##### ***Economic and cost of living crisis***

The UK is experiencing an economic and cost of living crisis.

The trustees continue to examine the major strategic, business and operational risks which the charity faces and confirm that systems have been established to ensure that regular reports are produced and that necessary steps can be taken to address any issues arising.

The trustees have identified the major risks to which the charity is exposed and procedures to manage those risks have been put in place.

#### **Financial instruments**

#### ***Objectives and policies***

The group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes.



## **Heritage Trust For The North West**

### **Trustees' Report**

#### ***Cash flow risk***

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The group uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

#### ***Credit risk***

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

The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### ***Liquidity risk***

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

## Heritage Trust For The North West

### Trustees' Report

#### Statement of trustees' responsibilities

The trustees (who are also the directors of Heritage Trust For The North West 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), including FRS 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group 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 parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

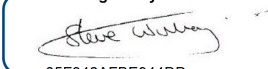
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Disclosure of information to auditor

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 charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 30 January 2024 and signed on its behalf by:

DocuSigned by:



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Mr Stephen Mark Williams  
Trustee

## **Heritage Trust For The North West**

### **Independent Auditor's Report to the Members of Heritage Trust For The North West**

#### **Opinion**

We have audited the financial statements of Heritage Trust For The North West (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, , Balance Sheet, Consolidated Statement of Cash Flows, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

## **Heritage Trust For The North West**

### **Independent Auditor's Report to the Members of Heritage Trust For The North West**

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.

#### **Opinion on other matter 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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

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

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

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

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

#### **Responsibilities of trustees**

As explained more fully in the Statement of trustees' responsibilities (set out on page 8), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor 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.

## **Heritage Trust For The North West**

### **Independent Auditor's Report to the Members of Heritage Trust For The North West**

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including

fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities

and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the computer component manufacturing and supply sector;

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial

statements or the operations of the company, including relevant legislation such as the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of

management and inspecting legal correspondence; and

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to

instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining

an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of

actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations

are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of

the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may

involve deliberate concealment or collusion.

## **Heritage Trust For The North West**

### **Independent Auditor's Report to the Members of Heritage Trust For The North West**

#### **Use of our report**

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's 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 parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Ian Harrison*

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Ian Harrison BA (Hons) FCA (Senior Statutory Auditor)

For and on behalf of Rawcliffe & Co Limited, Statutory Auditor

Unit 1 Barons Court  
Graceways  
Whitehills Business Park  
Blackpool  
Lancashire  
FY4 5GP

30 January 2024

## Heritage Trust For The North West

### Consolidated Statement of Financial Activities for the Year Ended 31 March 2023 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	13,348	104,510	117,858
Charitable activities	4	2,817	55,381	58,198
Other trading activities	5	1,749,245	-	1,749,245
Other income		11,643	-	11,643
Total income		1,777,053	159,891	1,936,944
<b>Expenditure on:</b>				
Raising funds	6	(568,712)	(48,967)	(617,679)
Charitable activities	7	-	(23,527)	(23,527)
Other expenditure	8	(1,225,027)	(112,870)	(1,337,897)
Total expenditure		(1,793,739)	(185,364)	(1,979,103)
Net expenditure		(16,686)	(25,473)	(42,159)
Net movement in funds		(16,686)	(25,473)	(42,159)
<b>Reconciliation of funds</b>				
Total funds brought forward		1,563,026	666,250	2,229,276
Total funds carried forward	26	1,546,340	640,777	2,187,117
	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	48,963	134,015	182,978
Charitable activities	4	144,265	118,996	263,261
Other trading activities	5	1,478,758	27,702	1,506,460
Other income		8,163	-	8,163
Total income		1,680,149	280,713	1,960,862
<b>Expenditure on:</b>				
Raising funds	6	(359,601)	(48,058)	(407,659)
Charitable activities	7	116	-	116
Other expenditure	8	(1,222,664)	(206,123)	(1,428,787)
Total expenditure		(1,582,149)	(254,181)	(1,836,330)
Net income		98,000	26,532	124,532
Net movement in funds		98,000	26,532	124,532

The notes on pages 19 to 44 form an integral part of these financial statements.

## Heritage Trust For The North West

### Consolidated Statement of Financial Activities for the Year Ended 31 March 2023 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
<b>Reconciliation of funds</b>				
Total funds brought forward		1,497,242	607,502	2,104,744
Total funds carried forward	26	1,595,242	634,034	2,229,276

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

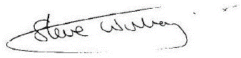
The funds breakdown for 2022 is shown in note 26.



**Heritage Trust For The North West**  
**(Registration number: 01397038)**  
**Consolidated Balance Sheet as at 31 March 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	14	43,893	57,233
Heritage assets	15	1,077,721	1,077,721
Investments		2,658,492	2,976,992
		<u>3,780,106</u>	<u>4,111,946</u>
<b>Current assets</b>			
Stocks	17	13,664	12,500
Debtors	18	178,361	220,170
Cash at bank and in hand	19	188,679	168,470
		<u>380,704</u>	<u>401,140</u>
<b>Creditors: Amounts falling due within one year</b>	20	<u>(552,523)</u>	<u>(627,958)</u>
<b>Net current liabilities</b>		<u>(171,819)</u>	<u>(226,818)</u>
<b>Total assets less current liabilities</b>		3,608,287	3,885,128
<b>Creditors: Amounts falling due after more than one year</b>	21	(1,394,251)	(1,628,933)
<b>Provisions</b>	22	<u>(26,919)</u>	<u>(26,919)</u>
<b>Net assets</b>		<u>2,187,117</u>	<u>2,229,276</u>
<b>Funds of the group:</b>			
<b>Restricted income funds</b>			
Restricted funds		640,777	634,034
<b>Unrestricted income funds</b>			
Unrestricted funds		1,282,007	1,330,909
Revaluation reserve		264,333	264,333
Total unrestricted funds		<u>1,546,340</u>	<u>1,595,242</u>
<b>Total funds</b>	26	<u>2,187,117</u>	<u>2,229,276</u>

The financial statements on pages 13 to 44 were approved by the trustees, and authorised for issue on 30 January 2024 and signed on their behalf by:

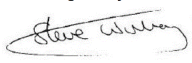
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85F842AFBE944DD:.....  
Mr Stephen Mark Williams  
Trustee

The notes on pages 19 to 44 form an integral part of these financial statements.

**Heritage Trust For The North West****(Registration number: 01397038)****Balance Sheet as at 31 March 2023**

	<b>Note</b>	<b>2023 £</b>	<b>2022 £</b>
<b>Fixed assets</b>			
Tangible assets	14	7,966	10,811
Heritage assets	15	1,077,721	1,077,721
Investments		2,658,993	2,977,493
		<u>3,744,680</u>	<u>4,066,025</u>
<b>Current assets</b>			
Debtors	18	316,834	326,835
Cash at bank and in hand	19	179,871	124,379
		<u>496,705</u>	<u>451,214</u>
<b>Creditors: Amounts falling due within one year</b>	20	<u>(604,485)</u>	<u>(617,839)</u>
<b>Net current liabilities</b>		<u>(107,780)</u>	<u>(166,625)</u>
<b>Total assets less current liabilities</b>		3,636,900	3,899,400
<b>Creditors: Amounts falling due after more than one year</b>	21	(1,359,495)	(1,579,883)
<b>Provisions</b>	22	<u>(26,919)</u>	<u>(26,919)</u>
<b>Net assets</b>		<u>2,250,486</u>	<u>2,292,598</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		565,326	545,275
<b>Unrestricted income funds</b>			
Unrestricted funds		1,420,827	1,482,990
Revaluation reserve		<u>264,333</u>	<u>264,333</u>
Total unrestricted funds		<u>1,685,160</u>	<u>1,747,323</u>
<b>Total funds</b>	26	<u>2,250,486</u>	<u>2,292,598</u>

The financial statements on pages 13 to 44 were approved by the trustees, and authorised for issue on 30 January 2024 and signed on their behalf by:

DocuSigned by:  
  
86F342AFBE944DD:.....  
Mr Stephen Mark Williams  
Trustee

The notes on pages 19 to 44 form an integral part of these financial statements.

## Heritage Trust For The North West

### Consolidated Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash (expenditure)/income		(42,159)	124,532
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	6, 8	13,765	15,378
Revaluation of investments		224,820	849
Loss on disposal of fixed assets held for the group's own use	9	94,804	(849)
		<u>291,230</u>	<u>139,910</u>
<b>Working capital adjustments</b>			
Increase in stocks	17	(1,164)	(4,800)
Decrease in debtors	18	41,809	22,352
Increase/(decrease) in creditors	20	12,058	(11,570)
Increase in provisions	22	-	1,855
		<u>343,933</u>	<u>147,747</u>
Net cash flows from operating activities		<u>343,933</u>	<u>147,747</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	14	(1,549)	(37,173)
Sale of tangible fixed assets		-	849
		<u>(1,549)</u>	<u>(36,324)</u>
Net cash flows from investing activities		<u>(1,549)</u>	<u>(36,324)</u>
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings	20	(322,175)	(47,519)
		<u>(322,175)</u>	<u>(47,519)</u>
Net increase in cash and cash equivalents		20,209	63,904
Cash and cash equivalents at 1 April		<u>168,470</u>	<u>104,566</u>
Cash and cash equivalents at 31 March		<u>188,679</u>	<u>168,470</u>

All of the cash flows are derived from continuing operations during the above two periods.

## Heritage Trust For The North West

### Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash (expenditure)/income		(42,106)	108,447
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	6, 8	1,720	2,544
Revaluation of investments		224,815	-
Loss on disposal of fixed assets held for the charity's own use	9	94,804	-
		<u>279,233</u>	<u>110,991</u>
<b>Working capital adjustments</b>			
Decrease/(increase) in debtors	18	10,001	(227,021)
Increase in creditors	20	74,139	211,291
Increase in provisions	22	-	1,855
		<u>363,373</u>	<u>97,116</u>
Net cash flows from operating activities		363,373	97,116
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings	20	(307,881)	(38,169)
Net increase in cash and cash equivalents		55,492	58,947
Cash and cash equivalents at 1 April		<u>124,379</u>	<u>65,432</u>
Cash and cash equivalents at 31 March		<u>179,871</u>	<u>124,379</u>

All of the cash flows are derived from continuing operations during the above two periods.

## **Heritage Trust For The North West**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **1 Charity status**

The charity is limited by guarantee, incorporated in , and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Park Hill  
Barrowford  
Nelson  
Lancashire  
BB9 6JQ

These financial statements were authorised for issue by the trustees on 30 January 2024.

#### **2 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)) (issued in October 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**

Heritage Trust For The North West 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.

##### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2023.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a loss after tax for the financial year of £42,110 (2022 - profit of £108,447).

## **Heritage Trust For The North West**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### **Going concern**

The 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.

#### **Income and endowments**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

#### ***Donations and legacies***

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.

## **Heritage Trust For The North West**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

#### ***Charitable activities***

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.

#### ***Grant provisions***

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

#### **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.

#### **Tangible fixed assets**

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Heritage assets**

The company's collection of Heritage Centres and Historic Visitors Centres are included in the accounts at their fair value. The assets are held in the support of the Charity's primary objective of promoting and preserving historical buildings and construction techniques.

#### **Depreciation and amortisation**

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:

##### **Asset class**

Capital projects and tenants improvements  
Plant, fixtures and fittings  
Motor vehicles

##### **Depreciation method and rate**

10 / 25% reducing balance basis  
20% reducing balance basis  
25% reducing balance basis

## **Heritage Trust For The North West**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **Investment properties**

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

#### **Business combinations**

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

#### **Stock**

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

#### **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.

#### **Trade creditors**

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.



## **Heritage Trust For The North West**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Provisions**

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

A provision equivalent to 5% of the costs incurred to date on Park Hill is to be set aside each year to provide for the ongoing maintenance and repair of buildings on the site.

#### **Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

#### **Fund structure**

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

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

## **Heritage Trust For The North West**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **Pensions and other post retirement obligations**

The group operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the group 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 group after deducting all of its liabilities.

##### ***Recognition and measurement***

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 group 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 group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, 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.

## **Heritage Trust For The North West**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### ***Debt instruments***

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

#### ***Investments***

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

## Heritage Trust For The North West

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### *Derivative financial instruments*

The group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

#### *Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

### **3 Income from donations and legacies**

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
Donations and legacies;			
Donations to major appeals	13,348	104,510	117,858
<b>Total for 2023</b>	<u>13,348</u>	<u>104,510</u>	<u>117,858</u>
<b>Total for 2022</b>	<u>48,963</u>	<u>134,015</u>	<u>182,978</u>

### **4 Income from charitable activities**

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
Grants and subsidies	2,817	-	2,817
Grants - restricted	-	55,381	55,381
<b>Total for 2023</b>	<u>2,817</u>	<u>55,381</u>	<u>58,198</u>
<b>Total for 2022</b>	<u>144,265</u>	<u>118,996</u>	<u>263,261</u>

## Heritage Trust For The North West

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 5 Income from other trading activities

	Unrestricted funds General £	Restricted funds £	Total funds £
Trading income;			
Sales LHT	1,483,852	-	1,483,852
Sales CSNW	113,582	-	113,582
Property rental income	151,811	-	151,811
<b>Total for 2023</b>	<u>1,749,245</u>	<u>-</u>	<u>1,749,245</u>
<b>Total for 2022</b>	<u>1,478,758</u>	<u>27,702</u>	<u>1,506,460</u>

#### 6 Expenditure on raising funds

##### a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Total funds £
<b>Total for 2022</b>		<u>65,367</u>	<u>65,367</u>

##### b) Costs of trading activities

	Note	Unrestricted funds General £	Restricted funds £	Total funds £
Costs of goods sold		568,712	48,967	617,679
<b>Total for 2023</b>		<u>568,712</u>	<u>48,967</u>	<u>617,679</u>
<b>Total for 2022</b>		<u>294,234</u>	<u>48,058</u>	<u>342,292</u>

#### 7 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total funds £
Grant funding of activities		-	23,527	23,527
<b>Total for 2022</b>		<u>(116)</u>	<u>-</u>	<u>(116)</u>

## Heritage Trust For The North West

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 8 Other expenditure

	Unrestricted funds General £	Restricted funds £	Total funds £
Note			
Staff costs			
Wages and salaries	731,778	-	731,778
Social security	46,986	-	46,986
Pension costs	13,398	-	13,398
Other staff costs	547	-	547
Audit fees			
Audit of the financial statements	7,186	10,000	17,186
Legal fees	27,210	-	27,210
Marketing and publicity	3,276	-	3,276
Depreciation, amortisation and other similar costs	(81,039)	-	(81,039)
Other resources expended	475,685	102,870	578,555
<b>Total for 2023</b>	<u>1,225,027</u>	<u>112,870</u>	<u>1,337,897</u>
<b>Total for 2022</b>	<u>1,222,664</u>	<u>206,123</u>	<u>1,428,787</u>

#### 9 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2023 £	2022 £
Audit fees	17,186	17,989
Loss on disposal of fixed assets held for the group's own use	(94,804)	849
Depreciation of fixed assets	<u>13,765</u>	<u>15,378</u>

#### 10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

## Heritage Trust For The North West

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 11 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
<b>Staff costs during the year were:</b>		
Wages and salaries	731,778	732,433
Social security costs	46,986	42,617
Pension costs	13,398	12,306
Other staff costs	547	472
	<u>792,709</u>	<u>787,828</u>

The monthly average number of persons (including senior management / leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2023 No	2022 No
Management and administration	7	7
Charitable activities	47	47
Clerical administration and support	4	4
	<u>58</u>	<u>58</u>

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

#### 12 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	<u>17,186</u>	<u>17,989</u>

## Heritage Trust For The North West

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 13 Taxation

The group is a registered charity and is therefore exempt from taxation.

#### 14 Tangible fixed assets

##### Group

	Furniture and equipment £	Motor vehicles £	Other tangible fixed asset £	Total £
<b>Cost</b>				
At 1 April 2022	276,245	17,058	32,066	325,369
Additions	1,549	-	-	1,549
At 31 March 2023	277,794	17,058	32,066	326,918
<b>Depreciation</b>				
At 1 April 2022	221,896	15,298	32,066	269,260
Charge for the year	13,325	440	-	13,765
At 31 March 2023	235,221	15,738	32,066	283,025
<b>Net book value</b>				
At 31 March 2023	42,573	1,320	-	43,893
At 31 March 2022	54,349	1,760	-	56,109

##### Charity

	Furniture and equipment £	Motor vehicles £	Other tangible fixed asset £	Total £
<b>Cost</b>				
At 1 April 2022	276,245	17,058	32,066	325,369
Additions	1,549	-	-	1,549
At 31 March 2023	277,794	17,058	32,066	326,918
<b>Depreciation</b>				
At 1 April 2022	221,896	15,298	32,066	269,260
Charge for the year	13,325	440	-	13,765
At 31 March 2023	235,221	15,738	32,066	283,025
<b>Net book value</b>				
At 31 March 2023	42,573	1,320	-	43,893
At 31 March 2022	54,349	1,760	-	56,109



## Heritage Trust For The North West

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 15 Heritage assets

Group	Land £	Total £
<b>Cost</b>		
At 1 April 2022	1,077,721	1,077,721
At 31 March 2023	1,077,721	1,077,721
<b>Depreciation</b>		
At 31 March 2023	-	-
<b>Net book value</b>		
At 31 March 2023	1,077,721	1,077,721

## Heritage Trust For The North West

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### Summary of transactions

##### Revaluation

The fair value of the group's Buildings was revalued on 31 March 2022. An independent valuer was not involved.

Heritage assets relate to the company's collection of Heritage Centres and Historic Visitors Centres. The assets are held in the support of the company's primary objective of promoting and preserving historical buildings and construction techniques. The trustees valued these assets on a fair value basis at 31st March 2022.

There is an ongoing programme of capital expenditure at Pendle Heritage Centre and Higherford Mill. These are all grant-aided.

##### Heritage assets not recognised in the balance sheet

The company owns the collections at the Pendle Heritage Centre which are not valued as they are held for exhibition purposes only.

#### Charity

	Land £	Total £
<b>Cost</b>		
At 1 April 2022	1,077,721	1,077,721
At 31 March 2023	1,077,721	1,077,721
<b>Depreciation</b>		
At 31 March 2023	-	-
<b>Net book value</b>		
At 31 March 2023	1,077,721	1,077,721

## Heritage Trust For The North West

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### Summary of transactions

##### Revaluation

The fair value of the charity's Buildings was revalued on 31 March 2022. An independent valuer was not involved.

Heritage assets relate to the company's collection of Heritage Centres and Historic Visitors Centres. The assets are held in the support of the company's primary objective of promoting and preserving historical buildings and construction techniques. The trustees valued these assets on a fair value basis at 31st March 2022.

There is an ongoing programme of capital expenditure at Pendle Heritage Centre and Higherford Mill. These are all grant-aided.

##### Heritage assets not recognised in the balance sheet

The company owns the collections at the Pendle Heritage Centre which are not valued as they are held for exhibition purposes only.

#### 16 Fixed asset investments

##### Group

	2023 £	2022 £
Investment properties	2,658,492	2,976,992

##### Investment properties

	Investment properties £
<b>Cost or Valuation</b>	
At 1 April 2022	2,658,492
<b>Provision</b>	
At 31 March 2023	-
<b>Net book value</b>	
At 31 March 2023	2,658,492
At 31 March 2022	2,658,492

If investment properties had not been revalued they would have been included at historical cost within the accounts at 31st March 2023 for the group £5,030,739 (2022: £5,030,739).

Investment properties were professionally valued on a fair value basis at 31st March 2022 by Bruton Knowles LLP.

## Heritage Trust For The North West

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### Charity

	2023 £	2022 £
Investment properties	2,658,492	2,976,992

#### Investment properties

	Investment properties £
<b>Cost or Valuation</b>	
At 1 April 2022	2,658,492
<b>Provision</b>	
At 31 March 2023	-
<b>Net book value</b>	
At 31 March 2023	2,658,492
At 31 March 2022	2,658,492

If investment properties had not been revalued they would have been included at historical cost within the accounts at 31st March 2023 for the company £5,054,115 (2022: £5,054,115).

Investment properties were professionally valued on a fair value basis at 31st March 2022 by Bruton Knowles LLP.

#### Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
<b>Cost</b>		
At 1 April 2022	501	501
At 31 March 2023	501	501
<b>Net book value</b>		
At 31 March 2023	501	501
At 31 March 2022	501	501

#### Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

## Heritage Trust For The North West

### Notes to the Financial Statements for the Year Ended 31 March 2023

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2023	2022	
Subsidiary undertakings					
L.H.T. Enterprises Limited	England	Ordinary	100%	100%	General commercial company
Conservation Services N.W. Limited	England	Ordinary	100%	100%	Construction, preservation and repair of property

## Heritage Trust For The North West

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### Subsidiaries

The profit for the financial period of L.H.T. Enterprises Limited was £Nil (2022 - £Nil) and the aggregate amount of capital and reserves at the end of the period was £500 (2022 - £500).

The profit for the financial period of Conservation Services N.W. Limited was £Nil (2022 - £16,085) and the aggregate amount of capital and reserves at the end of the period was £(63,321) (2022 - £(63,321)).

#### 17 Stock

	<b>Group</b>		<b>Charity</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Stocks	13,664	12,500	-

#### 18 Debtors

	<b>Group</b>		<b>Charity</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	26,758	55,007	2,771
Due from group undertakings	-	-	171,984
Prepayments	26,128	23,153	17,079
Other debtors	125,475	142,010	125,000
	<u>178,361</u>	<u>220,170</u>	<u>316,834</u>
			<u>326,835</u>

#### 19 Cash and cash equivalents

	<b>Group</b>		<b>Charity</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank	183,388	166,273	178,846
Other cash and cash equivalents	5,291	2,197	1,025
	<u>188,679</u>	<u>168,470</u>	<u>179,871</u>
			<u>124,379</u>

#### Balances held by the charity that are restricted

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Balances held by the charity that are restricted	<u>81,473</u>	<u>108,563</u>

The above cash at bank balance includes two bank accounts for Lytham Hall and Lytham Hall Appeal Account which are restricted.

## Heritage Trust For The North West

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 20 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	78,379	170,432	63,779	155,832
Trade creditors	137,495	111,584	41,206	27,164
Other loans	110,667	106,107	110,667	106,107
Due to group undertakings	-	-	372,643	192,331
Other taxation and social security	73,302	56,828	(101,379)	16,534
Other creditors	112,950	127,869	111,419	112,537
Accruals	39,730	55,138	6,150	7,334
	<u>552,523</u>	<u>627,958</u>	<u>604,485</u>	<u>617,839</u>

Creditors due within one year includes the following liabilities on which security has been given:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	<u>78,379</u>	<u>170,432</u>	<u>63,779</u>	<u>155,832</u>

The bank loans are secured by first legal mortgage over certain freehold investment properties of the charity.

The Lytham Town Trust loan £75,000 (2022: £75,000) is interest free with no fixed repayment date.

#### 21 Creditors: amounts falling due after one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	<u>1,394,251</u>	<u>1,628,933</u>	<u>1,359,495</u>	<u>1,579,883</u>

Creditors amounts falling due after more than one year includes the following liabilities on which security has been given:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	<u>1,394,251</u>	<u>1,628,933</u>	<u>1,359,495</u>	<u>1,579,883</u>

The bank loans are secured by first legal mortgage over certain freehold investment properties of the charity.

#### Group

Included in the creditors are the following amounts due after more than five years:

	2023	2022
	£	£
After more than five years by instalments	<u>(1,213,049)</u>	<u>(1,296,576)</u>

## Heritage Trust For The North West

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### Borrowings due after five years

##### Charity

Included in the creditors are the following amounts due after more than five years:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
After more than five years by instalments	(1,213,049)	(1,296,576)

#### 22 Provisions

##### Group

	<b>Other provision 1</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 1 April 2022	(26,919)	(26,919)

Provision for the maintenance of Pendle Heritage Centre.

##### Charity

	<b>Other provision 1</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 1 April 2022	(26,919)	(26,919)

#### 23 Pension and other schemes

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £13,398 (2022 - £12,306).



## Heritage Trust For The North West

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 24 Reserves

##### Group

	Unrestricted revaluation reserve £	Total £
At 1 April 2022	(264,333)	(264,333)

##### Group

	Unrestricted revaluation reserve £	Total £
At 1 April 2022	(264,333)	(264,333)

##### Charity

	Unrestricted revaluation reserve £	Total £
At 1 April 2022	(264,333)	(264,333)

##### Charity

	Unrestricted revaluation reserve £	Total £
At 1 April 2021	(264,333)	(264,333)

#### 25 Commitments

##### Charity

##### Other financial commitments

During the year the company had the following operating lease commitments:

Lytham Hall: leased at £1 per annum over 99 years. The lease expires on 31st December 2097, and  
Park Hill: leased at £1 per annum over 90 years. The lease expires on 31st March 2081.

Due to the historic nature of the buildings the trustees do not believe it is possible to establish a marketable rental value for the properties.

The total amount of other financial commitments not provided in the financial statements was £Nil (2022 - £Nil).

## Heritage Trust For The North West

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 26 Funds

##### Group

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
<b>Unrestricted funds</b>				
General	1,298,693	1,777,053	(1,793,739)	1,282,007
<b>Restricted funds</b>	666,250	159,891	(185,364)	640,777
<b>Total funds</b>	1,964,943	1,936,944	(1,979,103)	1,922,784
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>				
General	1,232,909	1,680,149	(1,582,149)	1,330,909
<b>Restricted funds</b>	607,502	280,713	(254,181)	634,034
<b>Total funds</b>	1,840,411	1,960,862	(1,836,330)	1,964,943

## Heritage Trust For The North West

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### Charity

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
<b>Unrestricted funds</b>				
General	1,437,466	305,131	(321,764)	1,420,833
<b>Restricted funds</b>	590,799	159,891	(185,364)	565,326
<b>Total funds</b>	2,028,265	465,022	(507,128)	1,986,159
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>				
General	1,373,373	343,000	(233,383)	1,482,990
<b>Restricted funds</b>	546,445	253,011	(254,181)	545,275
<b>Total funds</b>	1,919,818	596,011	(487,564)	2,028,265

#### 27 Analysis of net assets between funds

#### Group

	Unrestricted funds		Restricted funds	Total funds at 31 March 2023 £
	General £	Designated £	£	£
Tangible fixed assets	43,893	-	-	43,893
Heritage assets	-	-	1,077,721	1,077,721
Fixed asset investments	2,658,492	-	-	2,658,492
Current assets	174,231	-	206,473	380,704
Current liabilities	(552,523)	-	-	(552,523)
Creditors over 1 year	(1,394,251)	-	-	(1,394,251)
Provisions	-	(26,919)	-	(26,919)
<b>Total net assets</b>	<b>929,842</b>	<b>(26,919)</b>	<b>1,284,194</b>	<b>2,187,117</b>

## Heritage Trust For The North West

### Notes to the Financial Statements for the Year Ended 31 March 2023

	Unrestricted funds		Restricted funds	Total funds at 31 March 2022
	General £	Designated £	£	£
Tangible fixed assets	57,233	-	-	57,233
Heritage assets	-	-	1,077,721	1,077,721
Fixed asset investments	2,976,992	-	-	2,976,992
Current assets	167,577	-	233,563	401,140
Current liabilities	(627,958)	-	-	(627,958)
Creditors over 1 year	(1,628,933)	-	-	(1,628,933)
Provisions	-	(26,919)	-	(26,919)
Total net assets	944,911	(26,919)	1,311,284	2,229,276

## Heritage Trust For The North West

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### Charity

	Unrestricted funds		Restricted funds	Total funds at 31 March 2023
	General	Designated		
	£	£	£	£
Tangible fixed assets	7,966	-	-	7,966
Heritage assets	-	-	1,077,721	1,077,721
Fixed asset investments	2,658,993	-	-	2,658,993
Current assets	290,232	-	206,473	496,705
Current liabilities	(604,485)	-	-	(604,485)
Creditors over 1 year	(1,359,495)	-	-	(1,359,495)
Provisions	-	(26,919)	-	(26,919)
Total net assets	993,211	(26,919)	1,284,194	2,250,486

	Unrestricted funds		Restricted funds	Total funds at 31 March 2022
	General	Designated		
	£	£	£	£
Tangible fixed assets	10,811	-	-	10,811
Heritage assets	-	-	1,077,721	1,077,721
Fixed asset investments	2,977,493	-	-	2,977,493
Current assets	217,651	-	233,563	451,214
Current liabilities	(617,839)	-	-	(617,839)
Creditors over 1 year	(1,579,883)	-	-	(1,579,883)
Provisions	-	(26,919)	-	(26,919)
Total net assets	1,008,233	(26,919)	1,311,284	2,292,598

#### 28 Analysis of net funds

#### Group

	At 1 April 2022	At 31 March 2023
	£	£
Cash at bank and in hand	168,470	168,470
Net debt	168,470	168,470

	At 1 April 2021	At 31 March 2022
	£	£
Cash at bank and in hand	104,566	104,566
Net debt	104,566	104,566

## **Heritage Trust For The North West**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **29 Related party transactions**

##### **Group**

During the year the group made the following related party transactions:

##### **L.H.T. Enterprises Limited**

(L.H.T. Enterprises Limited remained a wholly owned subsidiary of the reporting company.)

During the year Heritage Trust for the North West either received income or paid for expenses on behalf of its subsidiary. During the year the subsidiary company also either received income or paid for expenses on behalf of Heritage Trust for the North West. In addition, L.H.T. Enterprises Limited made profit distributions to its parent undertaking under a service level agreement totalling £234,166 (2022: £215,288).. At the balance sheet date the amount due to L.H.T. Enterprises Limited was £372,643 (2022 - £192,331).

##### **Conservation Services N.W. Limited**

(Conservation Services N.W. Limited remained a wholly owned subsidiary of the reporting company.)

During the year Heritage Trust for the North West either received income or paid for expenses on behalf of its subsidiary. During the year the subsidiary company also either received income or paid for expenses on behalf of Heritage Trust for the North West. Conservation Services N.W. Limited made profit distributions to its parent undertaking under a service level agreement totalling £53,314 (2022: £Nil).. At the balance sheet date the amount due from Conservation Services N.W. Limited was £171,984 (2022 - £158,012).

##### **Charity**

During the year the charity made the following related party transactions:

##### **L E Stanworth**

(L E Stanworth is an ex trustee of the company.)

Loan. At the balance sheet date the amount due to L E Stanworth was £25,000 (2022 - £25,000).

##### **E M J Miller**

(E M J Miller is an ex director of the company.)

Loan. At the balance sheet date the amount due to E M J Miller was £85,631 (2022 - £82,153).

