

THE ARKWRIGHT SOCIETY LIMITED

England & Wales · Charity number 515526

Details

Status	Registered
Legal form	Charitable company
Company number	01630237
Registered	1985-04-01
Register	View on the Charity Commission register

Contact

Address	Sir Richard Arkwright's Mill Cromford Mill Mill Lane Cromford Derbyshire DE4 3RQ
Phone	01629823256
Email	info@arkwrightsociety.org.uk
Website	www.cromfordmills.org.uk

Activities

Objects: THE OBJECTS WHICH THE SOCIETY IS ESTABLISHED ARE:- (A) TO ADVANCE PUBLIC EDUCATION IN HISTORY AND INDUSTRIAL ARCHAEOLOGY BY SECURING FOR THE BENEFIT OF THE PUBLIC THE PROTECTION, CONSERVATION, MAINTENANCE AND USE OF INDUSTRIAL BUILDINGS, PLANTS AND MONUMENTS OF HISTORICAL OR ARCHAEOLOGICAL IMPORTANCE AND BY PROVIDING FACILITIES FOR THE STUDY OF AND RESEARCH INTO HISTORY AND INDUSTRIAL ARCHAEOLOGY. (B) TO SECURE AND PROMOTE IN THE AFORESAID PARISHES (I) THE ADVANCEMENT OF PUBLIC EDUCATION AND INTEREST IN HISTORY AND INDUSTRIAL ARCHAEOLOGY, (II) THE HIGH STANDARDS OF PLANNING AND ARCHITECTURE, (III) THE PRESERVATION, PROTECTION, DEVELOPMENT AND IMPROVEMENT OF FEATURES OF HISTORY AND ARCHAEOLOGICAL INTEREST.

Activities: The Arkwright Society is a registered charity concerned with the education and conservation of Industrial Heritage at the Cromford Mills site, and is part of the Derwent Valley Mill World Heritage Site.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Education/training, Environment/conservation/heritage
- **Who:** Children/young People, The General Public/mankind

Geography

- **Area of benefit:** PAR CROMFORD MATLOCK MATLOCK BATH TANSLEY BONSALL DARLEY DALE
- Derbyshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,512,598	£2,500,248	£4,191,030	51
2024-03-31	£2,052,943	£1,850,839	£4,178,680	50
2023-03-31	£1,501,925	£1,868,999	£3,887,462	46
2022-03-31	£1,543,566	£1,634,763	£4,218,482	47
2021-03-31	£1,929,423	£1,432,627	£4,313,352	55

Trustees

Name	Role	Appointed
John Rivers CBE	Chair	2021-09-04
Andrew Cochrane		2025-01-01
Christopher Birds		2025-08-01
Deborah Jardine		2026-01-01
Dr Catherine Clare Feely		2021-11-17
Jonathan Phipps		2023-05-24
NEIL RIDDLE		2021-11-17
Nigel Johns		2025-11-26
Paul Stuart		2024-09-11
Professor Paula Holt MBE		2023-06-21

THE ARKWRIGHT SOCIETY LIMITED

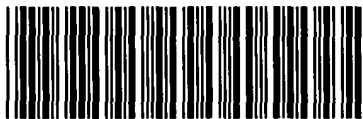
England & Wales - Charity number 515526

Accounts

Registered number: 01630237
Charity number: 515526

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

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THE ARKWRIGHT SOCIETY LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025

Trustees	J Rivers, Chair H Bishop A Cochrane (appointed 1 January 2025) V Dawson C Feely P Holt G Lewins J Phipps A Rawlings (resigned 31 December 2024) N Riddle P Stuart (appointed 11 September 2024)
Company registered number	01630237
Charity registered number	515526
Registered office	Cromford Mill Mill Road Cromford Matlock Derbyshire DE4 3RQ
Chief Executive Officer	Éilis Scott
President	The Duke of Devonshire KCVO CBE DL
Independent auditor	BHP LLP Chartered Accountants Albert Works Sidney Street Sheffield S1 4RG
Bankers	Lloyds TSB plc Compton Ashbourne Derbyshire DE6 1DY
Solicitors	Geldards LLP Number One Price Place Pride Park Derby DE24 8QR

THE ARKWRIGHT SOCIETY LIMITED
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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

The Chairman presents his statement for the year.

Our financial year 2024/2025 proved as good as any in recent times, and the Trustees were able to sign off the accounts for 2023/24 on 11th September 2024 and the accounts for 2024/25 30th July 2025. This was because we have been increasingly able to provide satisfactory 'going concern' forecasts for the ensuing 12 months. These set out our continuing commitments to improve our profitability by increasing our income and, more particularly, to materially grow our fundraising not only from charitable trusts but also increasingly from donations from visitors to Cromford Mills and from individual and corporate sponsors.

As you can see from the Accounts, the Society is still only trading profitably marginally in the face of continually rising costs, but we entered the current year with a good deal more confidence than in my last Chairman's statement, when I explained that we were unable to sign off the 2022/23 Accounts until 20th March 2024.

We have other good reasons to be more confident in our future. During 2023-2025, we received grants from the National Heritage Lottery Fund for about £500,000 which have enabled us to strengthen our organisation, support our development and deliver a wider range of community activities. We also received a grant from Historic England and the Pilgrim Trust to replace the badly damaged asbestos roof on 'The First Mill' with a temporary but robust roof. Historic England also funded essential repair works on Building 1. All these projects were successfully completed in 2024/25.

However, the best reason for our rising confidence is that the National Lottery Heritage Fund has just awarded the Arkwright Society £1,369,418 to fund the development stage of our project to refurbish Building 1 which is the next transformation project. Further funding has been secured from the Pilgrim Trust and the Architectural Heritage Fund. Our ambition is to provide a new restaurant on the ground floor, with office/overnight accommodation, and a function suite on the upper floors. Completion of this project will encourage the Society to look forward to a sustainable future, enabling it to continue to care for the historic Cromford Mills.

The Trustees very much appreciate and are greatly encouraged by the continuing confidence our funders show in us, particularly the National Lottery Heritage Fund and Historic England. But we also thank our bankers Lloyds, the Charity Bank and the Architectural Heritage Fund with whom we have outstanding loans, all of which we are continuing to repay during these difficult times.

Nothing is achieved without people and the Trustees recognize that the Society is well blessed with its staff and volunteers who work exceptionally hard and with enthusiasm under the leadership of our CEO, Eilis Scott; to all, the Trustees give their grateful thanks. But one member of staff I should like to pick out for particular appreciation on this occasion is Clare Harris, our CFO, for her dedicated work in giving financial leadership, and managing our accounts over a demanding couple of years and preparing the business plans to support our successful application to fund the development stage of Building 1.



John Rivers
Chairman

Date: 30 July 25

THE ARKWRIGHT SOCIETY LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their annual report together with the audited financial statements of the group for the year ended 31 March 2025. The Trustees' report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm that the Trustees' report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

The Society has reviewed its Mission and Shared Purpose and has established its Values. It has also developed a Vision Statement for the Cromford Mills site, which forms a key part of the Arkwright Society's Strategic Business Plan and Masterplan for Cromford Mills. This work, supported by the National Lottery Heritage Fund, took place through consultation and discussion with staff, volunteers, and trustees during the period 2023–2025.

The Arkwright Society's Mission and Shared Purpose

The Arkwright Society is dedicated to sustaining, enhancing and celebrating the international heritage of Cromford Mills and the Derwent Valley, a UNESCO World Heritage Site. We foster Arkwright's innovation and pioneering spirit through conservation, education, and active community engagement, united in our commitment by staff, volunteers, and members.

The Vision for Cromford Mills (2023 Strategic Business Plan and Masterplan)

Cromford Mills is a unique blend of industrial heritage, innovation, and learning, inspiring both visitors and the local community. Our vision for the next decade will take forward the next major regeneration efforts to create a sustainable and bustling place that seamlessly blends heritage with innovation. We will create inclusive and accessible spaces and activities where creativity and enterprise flourish. Whether you're here to explore, work or stay, Cromford Mills will continue to offer a dynamic environment that celebrates its rich history while embracing the future.

We will do this by:

- Celebrating our heritage
- Empowering education
- Fostering innovation
- Cultivating community

Objectives and activities (continued)

Our Core Values

Our values will help us collectively take forward what we stand for:

Pride

.....in our place, in all that we do, in ourselves and our natural and built heritage.

Respect

.....for everyone, for our place and environment, ensuring inclusivity for all.

Clarity

.....of purpose and direction, through our commitment to effective communication and open collaboration.

Empowerment

.....enabling everyone to be the best they can be, to create the future we want.

Resilience

.....working together to deliver sustainable solutions, by being open, flexible and creative.

b. Activities undertaken to achieve objectives

The Society delivers its charitable objects through a range of activities, many of which are long established. Its principal educational provision is made through the delivery of primary, secondary school and higher educational visits. This is strengthened by our Strategic Partnership with the University of Derby. The Society continues to support various heritage talks, often led by volunteers, and continues to participate in educational initiatives delivered by the Derwent Valley Mills World Heritage Site (DVMWHS) management team, including the DVMWHS Research days. The Society is engaged in the review of the DVMWHS Management Plan and will be providing updates and helping to shape the actions and activities relating to the review for the period 2025 onwards. The Society hosts work placements for students and adults seeking employability skills, to develop their capabilities within the workplace and gain a deeper understanding of the Charity and its objectives. An example of this during 2024/25 has been continued working with the YMCA in Derby to support young adults seeking employment skills.

Throughout the year, heritage tours of Cromford Mills are provided for visitors and booked parties and informal learning opportunities are promoted to visitors, especially families, during the school holidays.

During the reporting year, the Society continued to tackle high-level repairs and essential maintenance. Funding was secured from the National Lottery Heritage Fund and the Headley Trust to support high-level conservation work and drainage improvements. Funding from Historic England and The Pilgrim Trust enabled an interim repairs to the First Mill, where a part-asbestos roof was replaced with a new metal sheet covering, and high-level structural repairs were completed. The delivery of these works highlights the Society's ongoing reliance on securing capital grants to meet its long-term conservation and repair obligations across the site.

c. Volunteers

Volunteering is open to all, and volunteers can work on a wide range of activities and in addition provide professional advice and guidance at various levels of the Society. The Society recognises the invaluable contributions for volunteers in various activities and continues to actively advocate for greater support.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Objectives and activities (continued)

The Head of Engagement, with the Volunteer Coordinator, staff and volunteer representatives, are identifying volunteering opportunities and have defined those roles through role profiles – advertised through the website and other channels. An increase in volunteer recruitment has led to several new volunteering roles across activities including administration, membership and events. Several volunteers have supported the Society for many years, working regularly or for specific time periods.

The Arkwright Society's volunteer policy is to

- Ensure that volunteers feel valued.
- Establish an active management system to enable volunteers to feel like an effective member of the team.
- Ensure all volunteers know who their point of contact is and where they sit in the organisational structure.
- Ensure effective, regular two-way communication with all volunteers so that all staff and volunteers work positively together and, where appropriate, actively seek to involve each other in their work.
- Effectively match the needs of the organisation with the skills, experience, and knowledge of the volunteers.
- Have an up-to-date business plan for volunteers to implement this policy.
- Foster a friendly and supportive atmosphere aiming to make volunteering a fun and pleasant experience of mutual gain.

d. Main activities undertaken to further the Company's purposes for the public benefit

The Trustees confirm that they have given careful consideration to the Charity Commission's general guidance on public benefit.

The public benefits derived from the Society's activities include:

- The advancement of education, specifically through the delivery of guided tours across the Cromford Mills site and Cromford village for adult groups, schools, and the general public throughout the year. This includes heritage interpretation through industrial and local history resources, both in print and digital formats, alongside the development of archive material to support educational research. The Society also provides programmes of talks, visits, and events relating to sites of historical interest. Broader educational support is also offered, with initiatives around sustainability, work placements, and employability skills, all leveraging the unique setting of this working heritage site.
- The advancement of arts, heritage, and culture, demonstrated through the Society's continued commitment to the regeneration of Cromford Mills and the adaptive reuse of its historic buildings to ensure long-term sustainability. This includes maintaining public access to key sites to support enjoyment and engagement; active membership in the Derwent Valley Mills World Heritage Site Partnership and its committees, where the Society is represented; and promotion of the European Route of Industrial Heritage, for which Cromford Mills is a designated anchor point. The Society also participates in national and regional heritage programmes, particularly those linked to the Derwent Valley. An extensive and inclusive annual events programme further promotes arts, culture, and heritage, aiming to attract and engage broader and more diverse audiences beyond the traditional heritage visitor base.
- The advancement, protection and improvement of the natural environment including the area of Church Walk in the ownership of the Arkwright Society, adjacent to Cromford Mills and the management of Lumsdale. A bequest to the Society and a valley of outstanding natural beauty and industrial heritage interest on the north side of Matlock.

THE ARKWRIGHT SOCIETY LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report

Achievements and performance

a. Key performance indicators

Notes 4 to 8 detail income which totals £2,513K (2024: £2,053k). Within these:

- Income from other trading activities increased by £78K to £845K (2024: £767k).
- Income from charitable activities increased by £665k to £1,423k (2024: £758k).
- Other incoming resources decreased by £116k to £78k (2024: £194k).
- Income from donations and legacies decreased by £169k to £163k (2024: £332k).
- Investment income has increased from £2k to £3k.

Notes 9 and 10 detail costs of raising funds and charitable activities which total £2,500k (2024: £1,851k). Within these:

- Governance costs total £49,259 (2024: £40,255).

The net surplus for the year totalled £12k (2024: surplus of £202k). This was made up of a surplus of £67k on unrestricted funds (2024: £8k deficit) and a deficit of £55k on restricted funds (2024: £210k surplus).

At the year-end reserves consisted of restricted funds of £2,589k (2024: £2,644k) and unrestricted funds of £1,602k (2024: £1,535k), a total of £4,191K (2024: £4,179k).

b. Review of activities

The Arkwright Society continues to make significant progress toward its objective of regenerating the Cromford Mills site. A key focus remains the restoration and reuse of underutilised buildings, with the ultimate aim of removing them from Historic England's Heritage at Risk Register. The buildings included on the Register are Building 18 (The First Mill), Building 1 & 7 (annex to the Second Mill) and recently added, Buildings 21 & 26 (Grace Cottage and Archive)

During the year ending March 2025, the Society took important steps forward, supported by two generous grants totalling approximately £500,000 from The National Lottery Heritage Fund. These grants, which concluded in May 2025, have strengthened the Society's organisational resilience and underpinned core conservation efforts. Additional major funding of c£400,000 was secured from Historic England and The Pilgrim Trust to deliver an interim repair solution for the First Mill (Building 18). This critical intervention has included the removal of contamination from the third floor, replacement of the deteriorating asbestos roof with a new metal sheet covering, and essential high-level structural repairs. As a result, the building is now secure for at least the next decade, providing a vital window for the Society to redirect its regeneration efforts toward Building 1 – also 'at risk' – with the aim of converting it into income-generating uses. This is a crucial part of delivering a more financially sustainable future for the site, enabling the Charity to continue its wider charitable and community-focused work.

These projects represent key milestones in the delivery of the Society's Strategic Business Plan and Masterplan. Both provide a clear framework for prioritising future regeneration efforts and sequencing major capital projects, while maintaining a careful balance between commercial viability and public access, engagement, and education.

Maintaining and regenerating a complex, historically significant site like Cromford Mills remains a major challenge. The ageing fabric of the buildings requires constant care, attention, and funding. Despite the ongoing impact of the COVID-19 pandemic, escalating utility costs, and broader economic uncertainty, the Society has remained steadfast in its mission. These challenges have reinforced the importance of collaboration with key stakeholders and strategic partners.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report (continued)

Achievements and performance (continued)

The Society remains optimistic about its ability to build long-term resilience and continue progressing toward its central objective: *the full regeneration of Cromford Mills as a sustainable, heritage-led community asset.*

Property & Site Operations

Demand for office and retail space at Cromford Mills remains strong, particularly within Cromford Creative (Building 17), where occupancy levels have continued to reflect high interest. Revenue generated from this demand has met expectations and indicates continued short -to medium-term growth potential.

In 2023/24, an IT infrastructure review highlighted the need for future investment to maintain the site's competitiveness and reduce vulnerabilities to system failures and cyber threats. With funding from The National Lottery Heritage Fund and the UK Shared Prosperity Fund, key upgrades were delivered during 2024/25, including the installation of new fibre cabling, a modern firewall, and updated IT equipment. These improvements have significantly enhanced the speed, reliability, and security of IT systems, supporting both Cromford Mills' trading operations and its tenancies.

While health and safety and compliance have always been a priority, this year saw a renewed focus on refining processes, building efficiencies, and ensuring staff have the training and support required to manage the complexity of the site and its activities. This has included equipping the team with skills to meet a broad range of responsibilities, from overseeing the waterpower project and working at height, to managing maintenance needs, coordinating external contractors, and upholding fire safety protocols. Staff are also involved in the delivery and oversight of capital repair projects, including essential high-level works such as gutter clearance and structural maintenance to protect the long-term condition of historic buildings.

Across the wider estate, volunteer contributions remain invaluable. Their ongoing support helps maintain the natural environment, particularly at Church Walk and the Lumsdale Valley. Although the Society does not currently have the funds required to carry out major repairs to the scheduled monument area at Lumsdale, the efforts of volunteers and the maintenance team ensure woodland areas and historic structures are managed sensitively within the existing capacity and limited resources.

Heritage, Visitors & Volunteering

The heritage offer, which includes guided tours, the visitor centre, and the programme of heritage talks, remains a central pillar of the Society's mission and a significant focus of our future plans. Increasing the percentage of visitors who engage with our heritage offer presents a valuable opportunity to grow impact and income without necessarily increasing footfall. Staff and volunteers continue to play a vital role in delivering heritage experiences. Their expertise and commitment are central to the success of our tours, heritage interpretation, and public engagement. As an example, the Highlighting Heritage talk series, led by volunteers across both Cromford and Belper, remains popular and continues to delight local audiences wanting to learn about local heritage in an engaging and accessible way. We are committed both to recruiting new volunteers and to investing in the support and development of our existing volunteer teams, ensuring their contributions are recognised and deployed effectively.

Strategic report (continued)

Achievements and performance (continued)

Enhancements to interpretation and the addition of historic objects in the visitor centre have enriched the visitor experience and created opportunities to expand the heritage offer to reach a broader audience. This will be a focus for the year ahead. Data from the past year suggests increasing interest in shorter, more accessible general tours, while still maintaining a strong demand for in-depth, specialist-led experiences. The delivery of these tours is dependent on the knowledge and experience of both our volunteers and our Visitor Experience team.

On-site improvements have also included upgraded signage and wayfinding, helping to raise the overall quality of the visitor experience. These enhancements followed a brand refresh and the launch of a new website centred on Cromford Mills' identity and its place within the wider landscape. A major success this year has been the growth of our digital presence. Investment in equipment, staff training, and external consultancy has strengthened our social media output. This has led to a significant increase in online engagement, which has directly contributed to higher participation in events and growth in associated income. These initiatives were funded through the National Lottery Heritage Fund resilience grants and the Arkwright Society is particularly grateful to them and lottery players for their support.

Education and Learning

Our educational programmes for primary schools (Key Stage 1 and 2) continue to perform strongly, with bookings approaching full capacity under current resource levels. We are actively working to empower our volunteer team to take a more involved role in programme delivery, enabling smaller group sizes and improving overall pedagogy.

In August 2024, a Strategic Partnership was signed with the University of Derby for an initial one-year collaboration focused on student engagement, with particular emphasis on Special Educational Needs and Disabilities (SEND). This partnership has proven highly successful and is currently undergoing evaluation in July 2025. Activities to date have included student-led live briefs in public history and marketing, as well as advisory support to the Arkwright Society in shaping proposals for a major capital grant application for Building 1.

We have continued to expand our informal learning offer during school holidays, connecting activities to the wider events programme. One example is the development of cultural and informal learning linked to the historic waterwheel, supported by our on-site retail tenants. The Making Spaces initiative has provided craft-based activities and visitor engagement opportunities, successfully supporting wellbeing and family participation.

In early 2024, Cromford Mills became lead for the Cromford, Matlock and Wirksworth 'hub' for the new Derbyshire Makes campaign. Inspired by the county's rich heritage of making and manufacturing, its unique landscape, and the creative communities that call Derbyshire home, the initiative celebrates innovation, creativity, design, craft, skills, and industry. Cromford Mills hosted one of the festival events during April 2025 for the first year of the three year programme. The success of this initial festival has laid strong foundations for future partnership and programming opportunities that combine heritage, creativity, and learning.

Conferencing & Events

Events continue to play a vital role in the Society's income generation and audience development strategy. We have broadened our programming beyond traditional Georgian-themed heritage events to include more contemporary formats such as Comicon, Cromford Builds, classic car shows, and Adventure Weekend. This more diverse and inclusive offer has allowed us to engage a wider demographic and welcome new audiences who are experiencing Cromford Mills in new and meaningful ways.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report (continued)

Achievements and performance (continued)

These events bring significant financial benefits through increased secondary spend on site, while also contributing to our mission of widening participation and community engagement. During this reporting year our expanded events calendar has proven effective not only in revenue generation but also in strengthening volunteer participation. Key events such as the Dog Show, The Vikings, and Cromford Builds provide meaningful opportunities for volunteers to support delivery, while helping foster a stronger sense of community and engagement with the site.

In terms of conferencing and venue hire, Cromford Creative and other spaces on site facilitate this offer. While this provides potential for future growth, we recognise the need to ensure our offer remains competitive within the local market.

Membership

We recognise the vital role our members play in sustaining Cromford Mills as an internationally significant heritage site and in supporting the broader charitable aims of the Arkwright Society. In 2024/25, we undertook a review of the membership programme to ensure that the benefits offered remain meaningful and that pricing reflects inflation and current market conditions.

Many of our members join not only for the benefits but because they are passionate supporters of the Society's mission. This was clearly demonstrated at our fundraising event held in March 2025, which successfully raised both funds and awareness. It provided a valuable opportunity to share our ongoing regeneration ambitions, while also highlighting the challenges we face in operating and maintaining such a complex site. The event reaffirmed that there is strong support for the Society's continued progress and aspirations.

Until we can fully repurpose more spaces on-site to generate sustainable income, we remain heavily reliant on grant funding and fundraising activities. In this context, the role of our members, both individual and corporate is more important than ever. As part of our forward strategy, we will continue to review and develop the membership programme, with a goal of growing our membership base and securing long-term engagement and financial resilience.

In 2024, we also launched a Corporate Partnership Scheme, aimed at building stronger relationships with local businesses and organisations who share our values. Corporate partners contribute not only financially, but also through in-kind support, professional advice, and materials. Their involvement is instrumental in helping us deliver conservation and community outcomes. This will be developed in the coming year.

Cromford Mill Ltd

The Arkwright Society's trading arm primarily encompasses its catering and retail operations, both of which are crucial to generating unrestricted income that supports the wider charitable objectives of the Society.

Catering income continues to represent the largest proportion of income for both the trading subsidiary and the Society overall. Over the 2024/25 financial year, income from catering has continued to grow steadily, supported by targeted improvements including investment in new kitchen equipment, streamlined service processes to increase hourly covers, price adjustments, and a focus on menu quality. These improvements form part of an emerging catering growth plan, aimed at enhancing profitability and customer experience.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Strategic report (continued)

Achievements and performance (continued)

Despite this progress, the catering operation has faced ongoing external challenges. These include unpredictable weather impacting visitor numbers, ongoing staff recruitment difficulties, inflationary pressures, significantly increased utility costs, and the broader impact of the cost of living crisis. While some effects will be seen in the following financial year, anticipated increases to the National Minimum Wage and changes to National Insurance thresholds have already influenced financial planning and will further impact sustainability going forward.

Retail sales, primarily through the Mill Shop, have also encountered similar external pressures. While there has been some income growth, particularly through better stock control and focused ranges, the overall profitability of the shop remains limited. A notable area of income potential continues to be heritage tour bookings and membership sales, which are managed through the shop. Although tour numbers increased during the year, more bookings were for shorter, lower-priced tours, such as general site introductions, rather than the more comprehensive Mill Manager's Pass, which has contributed to a reduction in average income per sale.

To address this, several changes are planned to improve the visitor experience, increase conversion rates for higher-value tours and memberships, and ensure the visitor experience team is equipped to deliver a more engaging and profitable heritage offer.

c. Fundraising activities and income generation

Fundraising income from day-to-day trading activities has seen a notable uplift compared to 2023/24, supported by continued investment in staff training and highlighting the charitable messaging both onsite and online. The appointment of a Development Manager in March 2024 has brought renewed strategic direction to our fundraising efforts. With additional volunteer involvement, we successfully launched new initiatives like tombolas and enhanced support at events, including the March 2024 fundraiser. In addition to major grants received from the National Lottery Heritage Fund and Historic England, the reporting period also saw the successful securing of several smaller grants from trusts, foundations, and community award schemes. These additional funds have played a valuable role in supporting a range of activities, with a particular emphasis on learning and sustainability initiatives.

This momentum continues as we diversify income streams through an expanded programme of ticketed events, including Cromford Builds and Comicon. This is combined with a hosted-events model with venue hire fees. While free entry to the site remains a core principle, it is essential the Arkwright Society continues to balance affordability with the need to grow revenue, ensuring long-term sustainability.

Financial review

a. Going concern

The Group's surplus for the year of £12,350 consists of a deficit in restricted funds of £55,309 and surplus in unrestricted funds of £67,659. Net current liabilities are £235,533.

These figures for 2024/25 continue to reflect the persistently tough trading environment and the numerous external factors the Society has faced throughout the past two financial years. Despite lacking core funding, the Society has remain resilient, successfully secured capital and project funding from the National Lottery Heritage Fund for delivery during 2023-2025, Historic England, the Pilgrim Trust, UKSPF and the Headley Trust – as well as several trusts and foundations.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

The waterwheel project was completed in 2024 with the launch during the early part of the 2024/25 financial year. It is important to recognise the funding contributions including from the Green Entrepreneurs Scheme and Severn Trent Community Fund, for this significant initiative to bring waterpower back to Cromford Mills and generate onsite electricity.

Support from funders demonstrates their recognition of the Society's strategic importance, the urgency of its funding needs and their confidence in our ability to deliver meaningful outcomes. Moreover, the Society has maintained strong support from its lenders, Lloyds Bank, the Architectural Heritage Fund and the Charity Bank – with consistent capital repayments maintained. The Charity Bank loan completed at the end of March 2025.

The Trustees have prepared forecasts of income and expenditure and cash flow for a period of 12 months from approval of these financial statements, which show that they will be able to operate within the facilities available to them. The Trustees acknowledge the facilities include increased grants and donations and see this as a priority area, as the Society continues to navigate a complex funding landscape.

The Trustees acknowledge there is some uncertainty surrounding the fundraising targets, however, these have been subjected to sensitivity analysis which takes a prudent view. The resulting forecasts and cash flow referred to above show the facilities to be sufficient and therefore, the Trustees believe that it is appropriate to prepare the accounts on a going concern basis.

The financial statements do not include the adjustments that might be required should this not be the case.

b. Reserves policy

The Trustees have considered the reserves held by the Arkwright Society as of 31 March 2025. The Society needs reserves to enable it to develop its long term aims as well as ensuring the continuation of current activities. It is the Trustees' ambition to hold free reserves in cash which will be sufficient to cover three months operating costs. In order to meet their responsibilities, the Trustees have reviewed the requirements and risks faced by the Society both in the short and medium term.

Total funds at the year-end stood at £4,191k (2024: £4,179k) of which £1,602k (2024: £1,535k) were unrestricted funds.

The unrestricted reserves are £1,602k but as shown in the accounts the unrestricted reserves already invested in the tangible fixed assets are in excess of this figure. Accordingly, the free reserves of the charity, being those reserves available to the Trustees for future commitment can be seen to be negative. Net current liabilities are £235,533 represented by unrestricted funds of £705,280 and therefore there are net current assets relating to restricted funds of £469,747. This recognises that the mill site was originally acquired with long term loans that are still being repaid.

It is the Trustees' long term aim to establish free reserves sufficient to enable a sustainable operation of the mill but until the restoration of the site is complete, that level cannot be quantified.

c. Principal risks and uncertainties

Trustees and management have reviewed potential risks and challenges the Society could face in light of these challenging and uncertain times and produced an updated Risk Register for the organisation, which is reviewed by Trustees on a quarterly basis.

Structure, governance and management

a. Constitution

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Structure, governance and management (continued)

The Arkwright Society Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The company and the group are constituted under a Memorandum of Association and has a registered charity number 515526.

b. Methods of appointment or election of Trustees

Trustees are appointed on the basis of an analysis of the current skills of the Board and the need to strengthen its ability to direct the affairs of the Society, and the individual ability of any nominee to meet any perceived gap in skills and other qualities they may bring to the Society.

c. Organisational structure and decision-making policies

At present the Society is managed by its Trustee body, the Board of Trustees. This body meets up to ten times each year and has up to 12 members. Within the Board of Trustees there are three sub committees: Nominations, Audit and Risk and Remuneration Committees which meet as required.

In April 1994 the Council of Management established a trading company, Cromford Mill Limited, and appointed Directors to manage it. These meet on a regular basis and from time-to-time report to the Board of Trustees.

d. Policies adopted for the Induction and training of Trustees

The charity recognises its responsibility to ensure all new Trustees are given a Trustee Induction pack prior to appointment and meet with the Chair and CEO to clarify the responsibilities undertaken as a Trustee. Trustees also attend available external training courses.

The Board of Directors of The Arkwright Society, who are the Society's Trustees, and the Senior Leadership Team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Society on a day to day basis.

All Directors give their time freely and no Director received remuneration in the year. Details of Directors' expenses are disclosed in note 16 to the accounts.

e. Arrangements for setting pay and remuneration of key management personnel

The Terms and Conditions of all staff are reviewed annually, usually in March, by the Remuneration Committee wholly made up of Trustees. The Committee operates within the framework of the following principles:

- Ability to attract staff of the right calibre and experience
- Ability to retain such staff
- Affordability within the Society's financial resources

Salaries and conditions are considered in the context of the local market, having regard to the skills and knowledge required to manage a substantial building preservation trust in the charitable sector and in a commercial environment.

Whilst there is an annual review, there is no commitment to increase salaries or improve conditions, balancing

Structure, governance and management (continued)

affordability and the need to remain competitive.

f. Financial risk management

The Trustees have a risk management strategy which comprises:

- a Risk Register which sets out the principal risks and uncertainties that the charity and its subsidiary Cromford Mill Limited face. This is reviewed by the Senior Leadership Team and Trustees on a quarterly basis.
- the establishment of policies, systems and procedures to mitigate those risks identified in the reviews; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

As in prior years, this work has identified that financial sustainability is the major financial risk for both the charity and its subsidiary. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank and key funders, and active management of trade debtors and creditors balances, to ensure sufficient working capital by the Society and its subsidiary company.

Attention is focussed on non-financial risks arising from fire, health and safety, and food hygiene. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular awareness training for staff working in these operational areas. Health and Safety reports are tabled at each Trustee meeting.

g. Internal control

The Trustees have overall responsibility for ensuring that the charity has an appropriate system of financial management and other necessary controls. This is detailed in the Internal Control Manual. They are also responsible for safeguarding the assets of the charity and to this end must ensure that reasonable steps are taken for the prevention and detection of fraud and any other irregularities.

The Trustees accept that it is their responsibility to ensure that proper records are maintained, and accurate financial information is collected and retained and that the charity complies with the relevant laws and regulations.

The charity's Trustees recognise that whatever system is in place must be seen as managing rather than eliminating the risk of failure to achieve the charity's objectives and can only provide reasonable rather than absolute reassurance in these matters.

Plans for future periods

Future developments

The Society's priorities for 2025–2026 are centred on restoring a more stable trading pattern, supporting the professional development and wellbeing of staff and volunteers, and advancing the delivery of the Strategic Business Plan alongside the refreshed site-wide masterplan.

A major focus will be taking forward plans for the restoration and repurposing of Building 1. This project is critical to the Society's long-term sustainability, with the urgent need to secure significant capital investment to unlock new, reliable income streams.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Plans for future periods (continued)

Following completion of the interim repair solution to the First Mill, attention is focused on the broader Cromford Mills site and the Wharf buildings, where further repair works are dependent on continued grant support. Essential infrastructure maintenance and the stewardship of Lumsdale also remain high priorities, with ongoing reliance on external funding to deliver these works.

In a positive step, a project development grant has been secured from Historic England to assess the condition and explore future proposals for the repair and conversion of Grace Cottage and Building 21. This terrace is currently on the National Heritage at Risk Register. A viable scheme could bring them back into productive use, removing them from the 'at risk' register, improving the site's appearance and generating income for the Society.

The Society will continue to expand its informal learning and cultural programming, which have demonstrated good community impact and growing public engagement. A review of the heritage offer, particularly around guided tours and interpretive experiences, is planned, with the aim of creating a more dynamic and engaging visitor experience. Ongoing investment in volunteer development and staff training remains a priority, further embedding the Society's values and strengthening the organisation's capacity. Closer collaboration with local communities will also be a key focus, recognising the mutual value in partnership working.

To support income generation, the Society will pursue improvements to its events programme, retail, and catering offer. Finally, the Society looks forward to building on its strategic partnership with the University of Derby, continuing this valuable collaboration over the next two years.

Information on fundraising practices

The charity raises funds through its commercial activities, donations, legacies and membership. Funds raised through these activities are allocated to general funds, unless specifically agreed with an individual or organisation.

Funding for specific projects may be sought via sponsorship, donations, crowd funding, local fundraising activities and events. The allocation and purpose of those funds is made clear to donors and funders at the time of contribution.

A Development Manager has been appointed to take forward fundraising activities and grant applications for the Society. Their responsibility includes upholding the Society's commitment to ethical practices throughout all fundraising endeavours. The Arkwright Society does not use external, professional fundraising organisations or individuals to raise funds on its behalf. It ensures no fundraising activities it undertakes will exploit vulnerable individuals or intrude into an organisations' or individuals' privacy.

The Trustees and Senior Leadership Team have received no complaints in relation to fundraising or expenditure of its funds and ensure the use of all funds is transparent and clearly allocated.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Statement of Trustees' responsibilities

The Trustees (who are also the Directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 group and the parent charitable Company and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP 2019 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

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

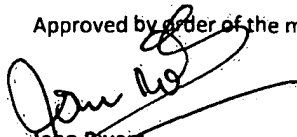
Disclosure of information to auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In approving the Trustees' report, we also approve the Directors' report included therein, in our capacity as company directors. This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by order of the members of the Board of Trustees and signed on their behalf by:


John Rivers
Chairman
Date: 30 July 25

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED

Opinion

We have audited the financial statements of The Arkwright Society Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025, which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and notes to the financial statements, including 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's and parent charitable company's affairs as at 31 March 2025, 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company 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.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates the events and conditions that may cast significant doubt on the Group's ability to continue as a going concern. As stated in note 2.2, these events or conditions along with the other matters as set forth in note 2.2 indicate that a material uncertainty exists.

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in note 2.2 of the financial statements concerning the group and parent charitable company's ability to continue as a going concern. The group incurred a net surplus of £12,350 during the year ended 31 March 2025 and as at that date the group has negative free reserves of £705,280. These conditions, along with the other matters explained in note 2.2 to the financial statements indicate the existence of a material uncertainty which may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and parent charitable company was unable to continue as a going concern.

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 other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. Our responsibility is to read the other information and, in doing so,

THE ARKWRIGHT SOCIETY LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED (CONTINUED)

consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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, which includes the Directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report included within the Trustees' report has 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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:

- 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's 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the Directors of the parent 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 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 group and parent charitable company'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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED (CONTINUED)

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.

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:

- the senior statutory auditor 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 entity through discussions with Trustees and other management, and from our knowledge and experience of the 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 group and parent entity, including safeguarding legislation, health and safety requirements including fire safety, food hygiene, data protection laws, the Charities Act 2011 and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured 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 entity'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 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; and
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED (CONTINUED)

more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: 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 Chapter 3 of Part 16 of the Companies Act 2006. 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 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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Rachel Heath (Senior statutory auditor)

for and on behalf of

BHP LLP
Chartered Accountants
Statutory Auditor
Albert Works
Sidney Street
Sheffield
S1 4RG

Date: *30 July 2025*

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and legacies	4	141,266	22,101	163,367	331,692
Charitable activities	5	609,492	813,738	1,423,230	758,358
Other trading activities	6	844,874	-	844,874	766,612
Investments	7	2,912	-	2,912	1,954
Other income	8	78,215	-	78,215	194,327
Total income		1,676,759	835,839	2,512,598	2,052,943
Expenditure on:					
Raising funds	9	644,364	-	644,364	653,002
Charitable activities	10	964,736	891,148	1,855,884	1,197,837
Total expenditure		1,609,100	891,148	2,500,248	1,850,839
Net movement in funds		67,659	(55,309)	12,350	202,104
Reconciliation of funds:					
Total funds brought forward		1,534,534	2,644,146	4,178,680	3,976,576
Net movement in funds		67,659	(55,309)	12,350	202,104
Total funds carried forward		1,602,193	2,588,837	4,191,030	4,178,680

The consolidated statement of financial activities complies with the requirements for an income and expenditure account under the Companies Act 2006 and includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 01630237

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	17	1,256,607	1,221,048
Heritage assets	18	3,925,164	3,925,164
		<u>5,181,771</u>	<u>5,146,212</u>
Current assets			
Debtors	20	128,010	104,261
Cash at bank and in hand		208,165	241,792
		<u>336,175</u>	<u>346,053</u>
Current liabilities			
Creditors: amounts falling due within one year	21	(571,708)	(465,691)
Net current liabilities		<u>(235,533)</u>	<u>(119,638)</u>
Total assets less current liabilities		<u>4,946,238</u>	<u>5,026,574</u>
Creditors: amounts falling due after more than one year	22	(734,955)	(825,419)
Accruals and deferred income	23	(20,253)	(22,475)
Total net assets		<u><u>4,191,030</u></u>	<u><u>4,178,680</u></u>
Charity funds			
Restricted funds (includes revaluation reserve of £nil (2024: £nil))	24	2,588,837	2,644,146
Unrestricted funds (includes revaluation reserve of £2,007,750 (2024: £2,007,750))	24	1,602,193	1,534,534
Total funds		<u><u>4,191,030</u></u>	<u><u>4,178,680</u></u>


THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 01630237

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


John Rivers
Chairman

Date: 30 July 25

The notes on pages 26 to 56 form part of these financial statements.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 01630237

COMPANY BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	17	1,173,294	1,127,775
Heritage assets	18	3,925,164	3,925,164
Investments	19	2	2
		<u>5,098,460</u>	<u>5,052,941</u>
Current assets			
Debtors	20	127,188	104,073
Cash at bank and in hand		164,921	206,461
		<u>292,109</u>	<u>310,534</u>
Current liabilities			
Creditors: amounts falling due within one year	21	(568,034)	(380,677)
		<u>(275,925)</u>	<u>(70,143)</u>
Net current liabilities			
		<u>(275,925)</u>	<u>(70,143)</u>
Total assets less current liabilities			
		<u>4,822,535</u>	<u>4,982,798</u>
Creditors: amounts falling due after more than one year	22	(734,955)	(822,694)
		<u>(734,955)</u>	<u>(822,694)</u>
Total net assets			
		<u><u>4,087,580</u></u>	<u><u>4,160,104</u></u>
Charity funds			
Restricted funds (includes revaluation reserve of £nil (2024: £nil))	24	2,588,837	2,644,146
Unrestricted funds (includes revaluation reserve of £2,007,750 (2024: £2,007,750))	24	1,498,743	1,515,958
		<u>4,087,580</u>	<u>4,160,104</u>
Total funds			
		<u><u>4,087,580</u></u>	<u><u>4,160,104</u></u>

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)


COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

The Company's net movement in funds for the year was £(72,524) (2024 - £199,964).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


John Rivers
Chairman
Date: 30 July 2025

The notes on pages 26 to 56 form part of these financial statements.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	27	205,800	37,674
Cash flows from investing activities			
Interest received		2,912	1,954
Proceeds from the sale of tangible fixed assets		(248)	179,276
Purchase of tangible fixed assets		(81,567)	(267,562)
Net cash used in investing activities		(78,903)	(86,332)
Cash flows from financing activities			
Cash inflows from new borrowing		-	62,154
Repayments of borrowing		(93,319)	(71,461)
Interest paid		(67,205)	(50,992)
Net cash used in financing activities		(160,524)	(60,299)
Change in cash and cash equivalents in the year		(33,627)	(108,957)
Cash and cash equivalents at the beginning of the year		241,792	350,749
Cash and cash equivalents at the end of the year	28	208,165	241,792

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. General information

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The Arkwright Society Limited 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.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling, which is the functional currency of the charity and rounded to the nearest £1.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

The Group reported a profit of £12,350 for the year, comprising a deficit of £55,309 in restricted funds and surplus of £67,659 in unrestricted funds. Net current liabilities stand at £235,533.

These figures reflect the continued challenging trading environment and the numerous external pressures the Society faces. Despite the absence of core funding, the Society has successfully secured capital and programme-specific funding to support its activities. This includes support from the National Lottery Heritage Fund, Historic England, The Headley Trust, Garfield Weston Foundation, other trusts and foundations, and private donors, with funding committed for expenditure into 2024–2025.

In July 2025 for the period of two years, the Society has secured £1.3 million in project development funding from the National Lottery Heritage Fund. This represents a significant milestone in advancing the transformation of Building 1 within the Cromford Mills complex. The funding allows the Society to progress with detailed planning and development for its next major regeneration project. This, along with other funding received, reflects both recognition of the Society's needs and confidence in its ability to deliver projects and maintain momentum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.2 Going concern (continued)

Nevertheless, the Trustees recognise the ongoing challenge of securing the additional major capital funding required to deliver this transformational project, which is anticipated to commence from 2027 onwards. In the interim, the focus remains on ensuring the Society's financial sustainability and organisational resilience. Meeting income targets, including core fundraising and grant income, remains a priority to support ongoing activities.

The Society continues to benefit from strong support from its lenders. The Architectural Heritage Fund granted capital repayment holidays during the recovery period, while the Charity Bank and Lloyds have received regular capital repayments in accordance with agreed terms. The Charity Bank loan repayment was completed in March 2025.

The Trustees have prepared detailed forecasts of income, expenditure, and cash flow for the 12-month period following approval of these financial statements. These projections indicate that the Society will be able to operate within its available financial facilities. The Trustees note that these forecasts assume an increase in grant and donation income and recognise the need for continued organisational capacity and skills to support this effort as a strategic priority.

While some uncertainty remains in relation to future fundraising targets, sensitivity analyses have been carried out using prudent assumptions. The resulting forecasts and cash flow projections demonstrate that the Society's available facilities are sufficient. Accordingly, the Trustees consider it appropriate to prepare the financial statements on a going concern basis.

The financial statements do not include any adjustments that might be necessary should the going concern assumption prove inappropriate.

2.3 Income

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the group has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the group, can be reliably measured.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the group's accounting policies.

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2. Accounting policies (continued)

2.3 Income (continued)

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the group which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is expenditure incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The Company 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 Company 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.

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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2. Accounting policies (continued)

2.6 Taxation (continued)

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Waterwheel	- 5% straight line once operational
Fixtures and fittings	- 25% reducing balance or 5 years straight line
Cromford Wheatcroft	- 25% reducing balance
Other fixed assets	- N/a

Included in fixtures and fittings is a picture held at its original cost of £2,500. This asset has not been depreciated because it is of the opinion of the Trustees that the asset is not impaired by the passage of time and in consequence any element of depreciation would be immaterial.

Freehold and long leasehold buildings and heritage assets are held at valuation. Depreciation is provided in order to write off the value of the properties to their residual value over their useful lives. The residual value is the amount that the charity would currently obtain from disposal of an asset, after deducting the estimated costs of disposal. The current residual values are equal to the net book value so that any element of depreciation would be immaterial. Therefore no depreciation is being provided on the properties held at valuation. The Trustees carry out annual impairment reviews to ensure the carrying value of the freehold property remains appropriate in comparison with residual value.

2.8 Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation. Assets are subsequently stated at valuation less accumulated impairment losses.

Acquisitions only arise when donated to the charity or if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geographical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public with prior agreement. Heritage assets are to be held for the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.8 Heritage assets (continued)

One heritage asset had previously been held under the historical cost model however, during 2021 an indicator of impairment existed which led to a full valuation of the asset being carried out by David Brown Commercial professional valuers on 31 March 2021. The valuation of the asset, based on future rental yield, was £1,622,413. In the opinion of Trustees, the value of the asset has not changed since this valuation as there has been no significant capital improvements made to the asset, it has been maintained in a good state of repair and rental income achieved on the asset has not significantly changed in value.

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'gains/(losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

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

2.12 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2. Accounting policies (continued)

2.13 Financial instruments

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

2.14 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the parent charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the parent charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2.17 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Redundancy benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The charitable company recognises redundancy benefits when it is committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Freehold and long leasehold buildings and heritage assets are held at valuation. The valuations are carried out on a periodic basis by an independent qualified valuer and considered annually by the trustees.

4. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations and gifts received	141,266	22,101	163,367	81,083
Grants receivable	-	-	-	250,609
	<u>141,266</u>	<u>22,101</u>	<u>163,367</u>	<u>331,692</u>
Total 2024	<u>81,083</u>	<u>250,609</u>	<u>331,692</u>	

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5. Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Property services	420,319	625,428	1,045,747	486,574
Visitor services	93,420	18,199	111,619	220,953
Education and tours	95,753	170,111	265,864	50,831
Total 2025	609,492	813,738	1,423,230	758,358
Total 2024	522,682	235,676	758,358	

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Fundraising events	25,117	25,117	16,696
Cromford Mill Limited sales	819,757	819,757	749,916
	844,874	844,874	766,612
Total 2024	766,612	766,612	

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NOTES TO THE FINANCIAL STATEMENTS
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7. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Bank interest receivable	2,912	2,912	1,954
	<u>2,912</u>	<u>2,912</u>	<u>1,954</u>
Total 2024	<u>1,954</u>	<u>1,954</u>	

8. Other income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Car park income	78,215	78,215	69,304
Income from recharged staff	-	-	2,747
Profit on disposal of fixed assets	-	-	122,276
	<u>78,215</u>	<u>78,215</u>	<u>194,327</u>
Total 2024	<u>194,327</u>	<u>194,327</u>	

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FOR THE YEAR ENDED 31 MARCH 2025

9. Expenditure on raising funds

Direct costs

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Cromford Mill Limited- other costs	294,860	294,860	308,184
Cromford Mill Limited- wages and salaries	326,921	326,921	322,280
Cromford Mill Limited- NI	16,629	16,629	16,738
Cromford Mill Limited - pension costs	5,954	5,954	5,800
	<u>644,364</u>	<u>644,364</u>	<u>653,002</u>
Total 2024	<u>653,002</u>	<u>653,002</u>	

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
Visitors services	335,755	17,419	353,174	545,392
Property services	379,884	520,668	900,552	424,986
Heritage site management	222,439	330,460	552,899	187,204
Governance (note 13)	26,658	22,601	49,259	40,255
	<u>964,736</u>	<u>891,148</u>	<u>1,855,884</u>	<u>1,197,837</u>
Total 2024	<u>1,008,302</u>	<u>189,535</u>	<u>1,197,837</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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11. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £	Total funds 2024 £
Visitors services	326,962	26,212	353,174	545,392
Property services	809,674	90,878	900,552	424,986
Heritage site management	445,123	107,776	552,899	187,204
Governance (note 13)	-	49,259	49,259	40,255
	<u>1,581,759</u>	<u>274,125</u>	<u>1,855,884</u>	<u>1,197,837</u>
Total 2024	<u>920,010</u>	<u>277,827</u>	<u>1,197,837</u>	

Analysis of support costs

	Total funds 2025 £	Total funds 2024 £
Staff costs	215,552	227,440
Payroll and bookkeeping fees	9,314	10,132
Governance costs (note 13)	49,259	40,255
	<u>274,125</u>	<u>277,827</u>

Support costs are allocated based on a % of time spent.

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NOTES TO THE FINANCIAL STATEMENTS
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12. Net income/(expenditure)

This is stated after charging:

	2025	2024
	£	£
Loss/(profit) on disposal of tangible fixed assets	248	(122,276)
Depreciation of tangible fixed assets owned by the group	46,008	28,656
	<u>46,008</u>	<u>28,656</u>

13. Governance costs

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Audit and accountancy fees	26,658	-	26,658	20,282
Cromford Mill strategic costs	-	22,601	22,601	19,973
	<u>26,658</u>	<u>22,601</u>	<u>49,259</u>	<u>40,255</u>
Total 2024	<u>20,282</u>	<u>19,973</u>	<u>40,255</u>	

14. Auditor's remuneration

	2025	2024
	£	£
Fees payable to the group's auditor for the audit of the annual accounts	20,510	18,605
Fees payable to the group's auditor in respect of:		
All non-audit services not included above	6,080	6,510
	<u>6,080</u>	<u>6,510</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

15. Staff costs

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Wages and salaries	835,753	827,390	508,832	505,110
Social security costs	58,098	54,692	41,469	37,954
Contribution to defined contribution pension schemes	23,759	22,280	17,805	16,480
	<u>917,610</u>	<u>904,362</u>	<u>568,106</u>	<u>559,544</u>

Included within the above staff costs for the prior year are redundancy costs totalling £29,843 of which £18,287 were non-contractual.

The average number of persons employed by the Company during the year was as follows:

	Group 2025 No.	Group 2024 No.
Tourism and visitor services	15	16
Site maintenance	4	4
Catering and retail	26	23
Administration and support	6	7
	<u>51</u>	<u>50</u>

The average headcount expressed as full-time equivalents was:

	Group 2025 No.	Group 2024 No.
Tourism and visitor services	9	7
Site maintenance	4	3
Catering and retail	13	13
Administration and support	6	6
	<u>32</u>	<u>29</u>

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15. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2025 No.	Group 2024 No.
In the band £60,001 - £70,000	1	1

The total amount of employee benefits received by key management personnel including employers national insurance and pension contribution is £325,735 (2024: £326,582). The Trustees consider its key management personnel comprise the Chief Executive Officer, Chief Finance Officer, Catering Manager, Fundraising Manager, Operations Manager, Head of Catering, Events Manager and Head of Engagement.

16. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 March 2025, no Trustee expenses have been incurred (2024 - £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
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17. Tangible fixed assets

Group

	Freehold property valuation £	Leasehold property valuation £	Cromford wheatcroft cost £	Waterwheel asset £	Fixtures and fittings cost £	Total £
Cost or valuation						
At 1 April 2024	336,000	385,000	153,496	356,676	233,987	1,465,159
Additions	-	-	-	81,567	-	81,567
Disposals	-	-	-	-	(11,221)	(11,221)
At 31 March 2025	336,000	385,000	153,496	438,243	222,766	1,535,505
Depreciation						
At 1 April 2024	-	-	67,178	-	176,933	244,111
Charge for the year	-	-	7,675	21,912	16,421	46,008
On disposals	-	-	-	-	(11,221)	(11,221)
At 31 March 2025	-	-	74,853	21,912	182,133	278,898
Net book value						
At 31 March 2025	336,000	385,000	78,643	416,331	40,633	1,256,607
At 31 March 2024	336,000	385,000	86,318	356,676	57,054	1,221,048

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FOR THE YEAR ENDED 31 MARCH 2025

17. Tangible fixed assets (continued)

Company

	Freehold property valuation £	Leasehold property valuation £	Waterwheel cost £	Fixtures and fittings cost £	Total £
Cost or valuation					
At 1 April 2024	336,000	385,000	356,676	212,432	1,290,108
Additions	-	-	81,567	-	81,567
Disposals	-	-	-	(11,221)	(11,221)
At 31 March 2025	336,000	385,000	438,243	201,211	1,360,454
Depreciation					
At 1 April 2024	-	-	-	162,333	162,333
Charge for the year	-	-	21,912	14,136	36,048
On disposals	-	-	-	(11,221)	(11,221)
At 31 March 2025	-	-	21,912	165,248	187,160
Net book value					
At 31 March 2025	336,000	385,000	416,331	35,963	1,173,294
At 31 March 2024	336,000	385,000	356,676	50,099	1,127,775

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The Group has adopted a policy of revaluation for tangible fixed assets. Had these been measured at historic cost, the carrying values would have been as follows:

	Group 2025 £	Group 2024 £
Freehold property	118,000	118,000
Long-term leasehold property	197,599	197,599
	315,599	315,599

Freehold property consists of Grace Cottage, Cromford Lock Up, Lumsdale Valley and the car park.

Leasehold property consists of Cromford Wharf and Cromford station. The freehold and leasehold properties were revalued on 13 July 2021 and the financial statements have been updated to reflect this valuation. The valuation was carried out externally and independently by David Brown BSc MRICS RICS. In the Trustees opinion this valuation reflects the valuation as at 31 March 2025.

18. Heritage assets

Group and Company

Assets held at valuation

	Building 17 2025 £	Cromford Mill 2025 £	Total 2025 £
Carrying value at 1 April 2024	1,622,414	2,302,750	3,925,164
Carrying value at 31 March 2025	1,622,414	2,302,750	3,925,164

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18. Heritage assets (continued)

Analysis of heritage asset transactions

Group and Company

	2025	2023	2023	2022	2021
	£	£	£	£	£
Charge for depreciation/ impairment					
Depreciation - heritage assets at cost (as restated)	-	-	-	-	(88,241)
Impairment - heritage assets at cost	-	-	-	-	(2,349,197)
Total charge for impairment	-	-	-	-	(2,437,438)

Heritage assets comprise the industrial buildings at Cromford Mill including Building 17 which has undergone a substantial renovation completed during 2016. The oldest buildings date back to the second half of the 18th century.

The heritage assets were revalued on 13 July 2021 and the financial statements have been updated to reflect this valuation. The valuation was carried out externally and independently by David Brown BSc MRICS RICS. In the Trustees opinion this valuation reflects the values as at 31 March 2025.

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NOTES TO THE FINANCIAL STATEMENTS
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19. Fixed asset investments

<i>Company</i>	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2024	<u>2</u>
At 31 March 2025	<u>2</u>
Net book value	
At 31 March 2025	<u>2</u>
At 31 March 2024	<u>2</u>

The investment comprises 100% of the share capital of Cromford Mill Limited, the charity's trading subsidiary. The results of that company are disclosed in note 34.

Transactions during the year with the subsidiary are disclosed in note 33.

20. Debtors

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Trade debtors	64,477	48,272	64,351	48,272
Other debtors	10,812	163	10,812	-
Prepayments and accrued income	52,721	55,826	52,025	55,801
	<u>128,010</u>	<u>104,261</u>	<u>127,188</u>	<u>104,073</u>

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21. Creditors: Amounts falling due within one year

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Bank loans	114,100	116,955	111,401	85,699
Architectural Heritage Fund loan	50,972	50,972	50,972	50,972
Trade creditors	221,083	89,988	182,052	68,528
Amounts owed to group undertakings	-	-	87,106	46,928
Other taxation and social security	32,190	49,560	(266)	(7,535)
Other creditors	80,099	83,818	78,749	80,380
Accruals and deferred income	73,264	74,398	58,020	55,705
	<u>571,708</u>	<u>465,691</u>	<u>568,034</u>	<u>380,677</u>

Deferred income represents market income received in advance for market stalls and room hire during 2024/25.

	Group 2025 £	Group 2024 £
Deferred income		
Deferred income at 1 April 2024	5,027	6,107
Resources deferred during the year	6,924	5,027
Amounts released from previous periods	(5,027)	(6,107)
	<u>6,924</u>	<u>5,027</u>

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22. Creditors: Amounts falling due after more than one year

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Bank loans	334,026	348,304	334,026	345,579
Architectural Heritage Fund loan re Building 17 and DCC loan	400,929	477,115	400,929	477,115
	<u>734,955</u>	<u>825,419</u>	<u>734,955</u>	<u>822,694</u>

Bank loans and overdrafts totalling £385,972 (2024: £465,276) are secured on assets of the charity as follows:-

- A 1st legal charge over commercial freehold property known as Old Trout Farm (Excl No 10), Cromford Mill, Cromford Matlock, Derbyshire dated 23/11/1988.
- A 1st legal charge over commercial freehold property known as Cromford Colour Mills, Cromford, Derbyshire - dated 18/11/1988.
- A 1st legal charge over residential property known as Grace Cottage, Station Rd, Cromford, Matlock, Derbyshire dated 16/02/2018.
- A 1st legal charge over commercial freehold property known as 10 Cromford Mill, Mill Road, Cromford, dated 16/02/2018.
- A 2nd legal charge over commercial freehold property known as 10 The Old Trout Farm, Cromford Mill, Cromford, Matlock, Derbyshire dated 19/10/1994.
- A 2nd legal charge over commercial freehold property known as Cromford Colour Mills, Cromford, Derbyshire dated 18/11/1988.
- A 2nd legal charge over commercial freehold property known as 10 Cromford Mill, Mill Road, Cromford, dated 19/10/1994.
- A 2nd legal charge over residential property known as Grace Cottage, Station Rd, Cromford, Matlock, Derbyshire dated 28/05/1999.
- An unlimited debenture dated 19/12/2001 incorporating a fixed and floating charges over the assets of the society.
- An unlimited debenture dated 16/02/2018 incorporating a fixed and floating charges over the assets of the society.

The bank loan of Cromford Mill Limited is secured on the fixed and floating assets of the company and subject to interest at a rate of 6.5% per annum. The loan is due to be repaid in full by May 2025. The Arkwright Society is guarantor for the loan.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

23. Accruals and deferred income

	Group 2025 £	Group 2024 £
Grants	<u>20,253</u>	<u>22,475</u>

Deferred income represents government grants in respect of the renovation of leasehold property in Cromford Mill Limited and is being released in line with the depreciation policy of the leasehold property.

24. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers In/out £	Balance at 31 March 2025 £
Unrestricted funds					
General Funds - charity	1,515,958	857,002	(903,491)	29,274	1,498,743
General Funds - subsidiary	18,576	819,757	(705,609)	(29,274)	103,450
	<u>1,534,534</u>	<u>1,676,759</u>	<u>(1,609,100)</u>	<u>-</u>	<u>1,602,193</u>
Restricted funds					
Building 17 development & project fund	1,967,451	45,495	(82,233)	-	1,930,713
Lumsdale project	5,086	2,464	(1,496)	-	6,054
Cromford Station	139,438	-	-	-	139,438
Cromford hydro scheme	306,039	138,586	(62,143)	-	382,482
Sundry projects	4,213	8,075	(600)	-	11,688
Arkwright's books and artefacts	4,008	-	-	-	4,008
Slinter Woodland project	2,252	-	-	-	2,252
Education materials	2,045	-	-	-	2,045
Waterwheel Fund	58,140	21,961	(9,121)	-	70,980
DV Tours Project	6,318	1,516	(6,534)	-	1,300
NLHF Emergency Grants	141,439	103,115	(293,802)	-	(49,248)
DE-Carbonise Grant	12,483	-	(3,074)	-	9,409
B18 project development	(4,766)	349,831	(355,023)	-	(9,958)
The Headley Trust	-	65,000	(25,000)	-	40,000
Arts Derbyshire CIO	-	24,796	(12,275)	-	12,521

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

24. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
The Foyle Foundation	-	30,000	(25,000)	-	5,000
Rosemary Nieper	-	25,000	-	-	25,000
29th May 1961	-	5,000	-	-	5,000
MDEM - Museums at Risk Resilience Support	-	15,000	(14,847)	-	153
	2,644,146	835,839	(891,148)	-	2,588,837
Total of funds	4,178,680	2,512,598	(2,500,248)	-	4,191,030

Statement of funds - prior year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Unrestricted funds					
General Funds - charity	1,525,777	816,742	(933,862)	107,301	1,515,958
General Funds - subsidiary	16,436	749,916	(727,442)	(20,334)	18,576
	1,542,213	1,566,658	(1,661,304)	86,967	1,534,534

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

24. Statement of funds (continued)

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Restricted funds					
Building 17 development & project fund	1,966,272	7,238	(6,059)	-	1,967,451
Lumsdale project	4,945	2,605	(2,464)	-	5,086
Cromford Station	139,438	-	-	-	139,438
Dunsley Meadows	56,967	-	-	(56,967)	-
Cromford hydro scheme	30,000	-	-	(30,000)	-
Sundry projects	168,696	160,449	(23,106)	-	306,039
Arkwright's books and artefacts	1,224	3,251	(3,249)	-	1,226
Slinter Woodland project	20,000	-	(19,973)	-	27
Education materials	4,008	-	-	-	4,008
Waterwheel Fund	2,252	-	-	-	2,252
DV Tours Project	1,709	-	-	-	1,709
NLHF Emergency Grants	2,045	-	-	-	2,045
DE-Carbonise Grant	-	90,160	(32,020)	-	58,140
B18 project development	16,896	(5,717)	(4,861)	-	6,318
The Headley Trust	620	-	-	-	620
Arts Derbyshire CIO	5,378	219,299	(83,238)	-	141,439
The Foyle Foundation	381	-	-	-	381
Rosemary Nieper	15,557	256	(3,330)	-	12,483
29th May 1961	(4,500)	8,744	(9,010)	-	(4,766)
MDEM - Museums at Risk Resilience Support	2,475	-	(2,225)	-	250
	<u>2,434,363</u>	<u>486,285</u>	<u>(189,535)</u>	<u>(86,967)</u>	<u>2,644,146</u>
Total of funds	<u>3,976,576</u>	<u>2,052,943</u>	<u>(1,850,839)</u>	<u>-</u>	<u>4,178,680</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

24. Statement of funds (continued)

The restricted funds represent monies donated or raised for a specific project of the charity. The purposes of the main restricted funds are given below.

The Building 17 development & project fund aims to develop a World Heritage Site and Gateway.

The Lumsdale project funds are for the continued preservation and archaeological works in Lumsdale.

Cromford Station is now completely refurbished and tenants in situ.

The Cromford Hydro Scheme aims to explore the possibility of renewable energy at the site by the installation of technology in order to generate hydro-electricity.

Sundry Projects includes many smaller restricted funds. These include the D of D DDCT grant, Briggs Plant Donation, Ironbridge Gorge, Arkwright Lodge 1495 Donations, Joan Link Donation, Grand Provincial (Masonic) Donation, Derbyshire Community Foundation, CVC-Sponsor - SPV Management, HDH Willis, Tramper- Access for all, Guide Resources Fund, Cromford Mill goes digital!, Meeting Point and the Reset & Recovery Grant Fund.

The Arkwright's books and artefacts fund is an asset fund representing grants awarded to purchase Arkwright related purchases for display.

The Sliinter Woodland project fund represents the funds obtained and expended in the continued management of the Sliinter Woodland site as a 'Site of Specific Interest' SSSI.

The Education materials fund is primarily income awarded under the Sandford Fund which can be used to promote the Educational offer at Cromford.

The Waterwheel fund is for the Waterpower project funding education, preservation and innovation.

The DV Tours project represents funding received from Derbyshire County Council's Great Place scheme for an entrepreneurial venture with Belper North Mill Trust to provide guided tours of the Derwent Valley, focussing on the Derwent Valley Mills World Heritage Site and other nearby visitor attractions.

The NLHF Emergency grants were awarded by National Lottery Heritage Fund who were administering funds under the Heritage Emergency Fund and subsequently under Culture Recovery Fund for Heritage. The year end deficit balance is due to funding being claimed in arrears.

The DE-Carbonise Grant provides assistance to reduce carbon emissions through upgrading lighting in the Cromford Creative building and also replacing 4 non-condensing gas boilers with 2 condensing boilers, thus updating the heating systems in 3 of the buildings.

The B18 project development grant represents funds awarded by Historic England as a repair grant for Heritage at Risk. The year end deficit balance is due to funding being claimed in arrears.

The Headley Trust funding will safeguard the most historically significant building complex within the Derwent Valley Mills World Heritage Site. It will address urgent repairs and support a more planned maintenance approach, enhancing organisational resilience.

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

24. Statement of funds (continued)

Arts Derbyshire CIO supports a programme of cultural events across the county (six hubs of which Cromford Mill is one) and includes projects produced by local communities and commissions from Derbyshire artists.

The Foyle Foundation is to develop the engagement programme around waterpower.

Rosemary Nieper donation is to support the work on Building 1 to help bring this building into sustainable use.

29th May 1961 will sustain our learning & engagement staff and fund activities vital for the site's continued relevance and vitality.

MDEM- Museums at Risk Resilience Support 2023-2024 is to enable the project development work to create a new exhibition for Cromford and Belper North Mills' joint partnership.

There was one restricted fund in a deficit position in the prior year due to funding being claimed in arrears.

A transfer was made in the prior year from restricted to unrestricted in relation to assets sold in the prior year.

25. Summary of funds

Summary of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
General funds	1,534,534	1,676,759	(1,609,100)	-	1,602,193
Restricted funds	2,644,146	835,839	(891,148)	-	2,588,837
	4,178,680	2,512,598	(2,500,248)	-	4,191,030

Summary of funds - prior year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
General funds	1,542,213	1,566,658	(1,661,304)	86,967	1,534,534
Restricted funds	2,434,363	486,285	(189,535)	(86,967)	2,644,146
	3,976,576	2,052,943	(1,850,839)	-	4,178,680

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

26. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	759,931	496,676	1,256,607
Heritage assets	2,302,750	1,622,414	3,925,164
Current assets	(133,572)	469,747	336,175
Creditors due within one year	(571,708)	-	(571,708)
Creditors due in more than one year	(734,955)	-	(734,955)
Provisions for liabilities and charges	(20,253)	-	(20,253)
Total	1,602,193	2,588,837	4,191,030

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	724,372	496,676	1,221,048
Heritage assets	2,302,750	1,622,414	3,925,164
Current assets	(179,003)	525,056	346,053
Creditors due within one year	(465,691)	-	(465,691)
Creditors due in more than one year	(825,419)	-	(825,419)
Provisions for liabilities and charges	(22,475)	-	(22,475)
Total	1,534,534	2,644,146	4,178,680

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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

	Group 2025 £	Group 2024 £
Net income for the period (as per Statement of Financial Activities)	12,350	202,104
Adjustments for:		
Depreciation charges	46,008	28,656
Amortisation of government grant	(2,222)	(2,223)
Interest received	(2,912)	(1,954)
Interest paid	67,205	50,992
Loss/(profit) on the sale of fixed assets	248	(122,276)
Decrease in stocks	-	21,228
(Increase)/decrease in debtors	(23,749)	12,968
Increase/(decrease) in creditors	108,872	(151,821)
Net cash used in operating activities	205,800	37,674

28. Analysis of cash and cash equivalents

	Group 2025 £	Group 2024 £
Cash in hand	208,165	241,792
Total cash and cash equivalents	208,165	241,792

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

29. Analysis of changes in net debt

	At 1 April 2024	Cash flows	At 31 March 2025
	£	£	£
Cash at bank and in hand	241,792	(33,627)	208,165
Debt due within 1 year	(167,927)	2,855	(165,072)
Debt due after 1 year	(825,419)	90,464	(734,955)
	<u>(751,554)</u>	<u>59,692</u>	<u>(691,862)</u>

30. Contingent liabilities

The charity has a possible obligation to repair and reinstate an aqueduct which was formally part of the Cromford Mill site. Derbyshire County Council (DCC) are unable to agree with Derbyshire Dales District Council (DDDC) and statutory consultees including Historic England (HE) on the height at which the aqueduct should be reinstated. The liability has been estimated at £295,000 and is contingent on an agreement being reached relevant parties and securing statutory consents at some point in the future.

31. Capital commitments

	Group 2025	Group 2024	Company 2025	Company 2024
	£	£	£	£
<i>Contracted for but not provided in these financial statements</i>				
Acquisition of tangible fixed assets	<u>24,189</u>	<u>13,929</u>	<u>24,189</u>	<u>13,929</u>

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

32. Operating lease commitments

At 31 March 2025 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group	Company	Company
	2025	2024	2025	2024
	£	£	£	£
Not later than 1 year	35,507	34,466	5,843	5,325
Later than 1 year and not later than 5 years	23,371	10,147	23,371	9,313
Later than 5 years	18,002	17,559	18,002	17,559
	76,880	62,172	47,216	32,197

Lease payments recognised as an expense in the statement of financial activities were £34,874 (2024: £34,583).

33. Related party transactions

During 2013 the Duke of Devonshire, the President of the charity, made a loan to the charity of £35,000, £10,000 remained payable as at 31 March 2025 and 2024. The loan is interest free.

The company has a wholly owned subsidiary, Cromford Mill Limited, as detailed in note 34.

During the year, The Arkwright Society Limited charged the subsidiary rent and service charges of £65,924 (2024: £77,777) labour recharges of £35,712 (2024: £35,712) management and administration fees of £57,600 (2024: £nil). During the year the subsidiary made sales of £nil (2024: £nil) to The Arkwright Society Limited and purchases from The Arkwright Society Limited of £159,236 (2024: £171,089).

During the year H Bishop, a Trustee, used the charity's shop to sell some goods to the value of £nil (2024: £30). The income was received by the charity and then passed on to the Trustee.

During the year, one family member of key management personnel worked within the subsidiary company's cafe and received remuneration from this of £5,484.

During the year J Rivers, a Trustee donated £52,000 (2024: £54,500) to the charity to cover wage costs and other general costs, this donation was unrestricted.

At 31 March 2025, the charity owed £87,106 to the subsidiary (2024: £46,928).

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

34. Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Class of shares	Holding
Cromford Mills Limited	02913429	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	2025	2024
	£	£
Cromford Mills Limited		
Income	819,757	749,916
Expenditure	(705,609)	(727,442)
Profit for the year	114,148	22,474
Total assets	214,485	175,557
Total liabilities	(111,033)	(156,979)
Net assets	103,452	18,578

THE ARKWRIGHT SOCIETY LIMITED

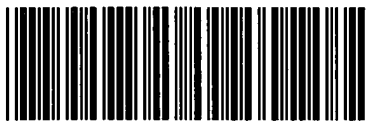
England & Wales - Charity number 515526

Accounts

Registered number: 01630237
Charity number: 515526

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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THE ARKWRIGHT SOCIETY LIMITED
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THE ARKWRIGHT SOCIETY LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024

Trustees	J Rivers, Chair M Atkinson (resigned 31 December 2023) H Bishop V Dawson (appointed 24 May 2023) C Feely P Holt (appointed 21 June 2023) G Lewins J Phipps (appointed 24 May 2023) A Rawlings N Riddle W J Tracey (resigned 31 December 2023)
Company registered number	01630237
Charity registered number	515526
Registered office	Cromford Mill Road Cromford Matlock Derbyshire DE4 3RQ
Chief Executive Officer	Éilis Scott
President	The Duke of Devonshire KCVO CBE DL
Independent auditor	BHP LLP Chartered Accountants 2 Rutland Park Sheffield S10 2PD
Bankers	Lloyds TSB plc Compton Ashbourne Derbyshire DE6 1DY
Solicitors	Geldards LLP Number One Price Place Pride Park Derby DE24 8QR

THE ARKWRIGHT SOCIETY LIMITED
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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

The Chairman presents his statement for the year.

Our financial year 2023/2024 proved as difficult as any in recent times, and as you know the Trustees were only able to sign off the accounts for 2022/23 on 20th March 2024. This was because we were struggling to provide a satisfactory 12 months' 'going concern' forecast and were only able to do so once we had confirmed the sale of Dunsley Meadows and Slinger Woods to the Derbyshire Wildlife Trust; we had also benefited from a loan from the DVMWHS Steering Group in January 2024 and an individual donation in December 2023.

We were determined to approve the accounts for 2023/24 within a reasonable timescale and we have prepared a 'going concern' forecast which sets out commitments to increase our income and improve our profitability and, more particularly, to materially grow our fundraising not only from charitable trusts but also increasingly from donors and sponsors, both individual and corporate, and visitors to Cromford Mills.

As you can see from the accounts, the Society is not trading profitably in the face of rising expenses driven by cost and wage inflation and the tripling of energy bills primarily due to the continuing war in Ukraine; this must change as our commercial activities almost solely enable us to remain in existence.

The trustees believe we have built a management team capable of delivering financial security and continuing to carry out our prime purpose and responsibility, which is to care for our historic buildings and refurbish them and bring them back into economic use for our benefit and that of the community.

Our key strategic transformation project within our new Strategic Business and Master Plan is the refurbishment of Building 1 to provide a restaurant on the ground floor, office/holiday accommodation on the second and third floors and an events/function space on the top floor. We are actively seeking funds for this project which will materially enhance our financial strength, although not in the short term; hence the immediate need for the financial commitments described above.

Happily, the essential repair work to the rendered elevation of Building 1 funded by Historic England is now in progress and we anticipate the essential temporary roof replacement and high-level urgent repairs to 'The First Mill', funded by Historic England and the Pilgrim Trust will start in the autumn. The 'Waterpower' project is now complete, the Green Entrepreneurs' Fund and Severn Trent Community Fund being major funders.

The Trustees very much appreciate and are encouraged by the continuing confidence of all our funders, including The Heritage Fund, and our bankers Lloyds, the Charity Bank and The Architectural Heritage Fund with whom we have outstanding loans and all of which we are continuing to repay; we are being well supported during these difficult times.

The Trustees also appreciate the leadership of Éilis Scott, our CEO, and are grateful for the commitment and hard work of all our staff and volunteers; their contribution is invaluable and will remain so.



John Rivers
Chairman

Date: 11 SEPTEMBER 2024

The Society's conservation objectives are met primarily through the ongoing repair and maintenance of Cromford Mills. Throughout the year, tours of Cromford Mills are provided for visitors and booked parties and informal learning opportunities are promoted to visitors, especially families, during the school holidays.

The Society delivers its charitable objects through a range of activities many of which are long established. Its principal educational provision is made through the delivery of primary, secondary school and higher educational visits. The Society continues to support various heritage talks, often led by volunteers, and continues to participate in educational initiatives delivered by the Derwent Valley Mills World Heritage Site (DVMWHS) management team, including the DVMWHS Research days. The Society is engaged in the review of the DVMWHS Management Plan and will be providing updates and helping to shape the actions and activities relating to the review. The Society hosts work placements for students to develop their skills within the workplace and gain a deeper understanding of the Charity and its objectives. An example of this during 2023/24 has been the hosting of Duke of Edinburgh work placements and with Holbrook School of Autism for individual students who want to experience different work placement activities in a safe and positive environment.

b. Activities undertaken to achieve objectives

The Society also has educational, social, accessibility and environmental agendas, which commit it to the provision of educational engagement, training, work experience opportunity whilst developing accessibility and green energy initiatives, as well as the recycling of materials and a sustainable transport policy. These aspirations will inform the delivery of its conservation and educational programmes.

The Arkwright Society is committed to the regeneration of the Cromford Mills site and to the reuse of the buildings in ways that will provide them with a sustainable future, and which offers year-round employment that will contribute positively to the local economy. At the same time, the Society is aware of the international significance of the historic buildings in its care and in dealing with them, is conscious of its obligation to use the highest standards of repair and conservation practice. The Society acknowledges that monuments of such universal importance, inscribed by UNESCO, attract widespread interest which those who enjoy the stewardship of such heritage must respect, by providing interpretation of the highest quality and extensive public access.

The Society has adopted the following mission statement in respect of its work on the Cromford Mills site much of which applies to the Society's work in general:

a. Policies and objectives

Objectives and activities

Since the group and the company qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The Trustees present their annual report together with the audited financial statements of the group for the year ended 31 March 2024. The Trustees' report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm that the Trustees' report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

THE ARKRIGHT SOCIETY LIMITED
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THE ARKWRIGHT SOCIETY LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Objectives and activities (continued)

and the wider estate focused on the Lumsdale Valley. Resource allocation is managed by the maintenance team, focusing on regular maintenance and specific repairs. During 2023, supported by The Heritage Fund, the Arkwright Society commissioned a maintenance plan and schedule of prioritised repairs to better understand the maintenance needs and allocate resources to tackle high level repairs and health and safety.

c. Volunteers

Volunteering is open to all, and volunteers can work on a wide range of activities and in addition provide professional advice and guidance at various levels of the Society. The Society recognises the invaluable contributions for volunteers in various activities and is actively advocating for greater support.

The Head of Engagement, in consultation with the Volunteer Coordinator, staff and volunteer representatives, are identifying volunteering opportunities and have defined those roles through role profiles.

- Several volunteers have supported the Society for many years, working regularly or for specific time periods.

The Arkwright Society's volunteer policy is to

- Ensure that volunteers feel valued.
- Establish an active management system to enable volunteers to feel like an effective member of the team.
- Ensure all volunteers know who their point of contact is and where they sit in the organisational structure.
- Ensure effective, regular two-way communication with all volunteers so that all staff and volunteers work positively together and, where appropriate, actively seek to involve each other in their work.
- Effectively match the needs of the organisation with the skills, experience, and knowledge of the volunteer.
- Have an up-to-date business plan for volunteers to implement this policy.
- Foster a friendly and supportive atmosphere aiming to make volunteering a fun and pleasant experience of mutual gain.

d. Main activities undertaken to further the company's purposes for the public benefit

The Trustees confirm that they have given careful consideration to the Charity Commission's general guidance on public benefit.

The public benefits derived from the Society's activities include:

- The advancement of education and specifically the provision of guided tours for the site and village, as well as adult and school parties throughout the year. The provision of heritage interpretation at Cromford Mills, through industrial heritage and local history literature, digitally, the development of archive material to assist educational research, the provision of programmes of lectures, visits, and events on and to sites of historical interest.
- The advancement of arts, heritage, and culture specifically the Society's commitment to the regeneration of the Cromford Mills site and to the reuse of buildings in ways which will provide them with a sustainable future; public access to the Society's main sites for their enjoyment of these sites; membership of and support of the Derwent Valley Mills World Heritage Site Partnership and its attendant committees on which the Society is represented; the Society's membership and promotion of the European Route of Industrial Heritage for which Cromford Mills is a designated anchor point; participation in relevant national programmes promoting heritage sites, and locally within the Derwent Valley. The delivery of an extensive annual events programme promoting arts, culture heritage and wider engagement.

THE ARKWRIGHT SOCIETY LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Objectives and activities (continued)

- The advancement, protection and improvement of the natural environment including the area of Church Walk in the ownership of the Arkwright Society, adjacent to Cromford Mills and the management of Lumsdale. A bequest to the Society and a valley of outstanding natural beauty and industrial heritage interest on the north side of Matlock. The remaining area of Slinger Woods and Dunsley Meadows was sold to the Derbyshire Wildlife Trust at the end of March 2024.

Achievements and performance

a. Key performance indicators

Notes 4 to 8 detail income which totals £2,053K (2023: £1,502k). Within these:

- Income from other trading activities increased by £116K to £767K (2023: £651k).
- Income from charitable activities decreased by £379K to £919k (2023: £540k).
- Other incoming resources totalled £194k (2023: £67k) reflecting government grants received during the year.
- Income from donations and legacies decreased by £71k to £173k (2023: £244k).

Notes 9 and 10 detail costs of raising funds and charitable activities which total £1,851k (2023: £1,780k as restated). Within these:

- Governance costs total £40,255 (2023: £22,983).

The net surplus for the year totalled £202k (2023: deficit of £278k as restated). This was made up of a deficit of £8k on unrestricted funds (2023: £440k deficit) and a surplus of £210k on restricted funds (2023: £162k surplus).

At the year-end reserves consisted of restricted funds of £2,644k (2023: £2,434k as restated) and unrestricted funds of £1,535k (2023: £1,542k), a total of £4,179k (2023: £3,977k as restated).

b. Review of activities

The Arkwright Society continues to develop and progress with its objective of further development of the Cromford Mills site, bringing back in to use those buildings not currently fully utilised and so removing them from Historic England's National Heritage at Risk Register.

Throughout the year ending March 2024, the Society has made important steps forward, thanks to two generous grants totalling c£500,000 from The Heritage Fund, which has bolstered its resilience. Additionally, support from the Duke of Devonshire Charitable Trust enabled the commissioning of a 10-year strategic business plan and masterplan which was completed in January 2024. These plans are crucial for prioritising future regeneration efforts and determining the sequencing of major projects, providing a solid framework for the Society's continued progress. The Strategic business plan involved stakeholder consultation which continues through 2024. The Plan identifies the need to repurpose unused space at Cromford Mills for sustainable and profitable growth - with a focus on the transformation of Building 1. Cognisant of the need to strike a balance between commercial income generation and widening access and supporter engagement through public use.

Despite enduring challenges stemming from the pandemic and unforeseen external factors, including the significant increases in utility costs and economic uncertainties, the Society remains steadfast in its commitment to growth. While these challenges have posed obstacles, they have also underscored the importance of collaboration with key stakeholders

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance (continued)

and partners. The Society remains optimistic about its ability to strengthen and become more resilient, ultimately fulfilling its primary objectives for the regeneration of Cromford Mills.

Property & Site Operations

Demand for office and retail space remains robust, with a particularly strong demand for single office spaces. Revenue from this demand has met expectations and shows promising signs for the short to medium term. An IT infrastructure review in 2023/24 identified the need for future investment to maintain a competitive edge and mitigate risks related to system failures and cybersecurity. With support from The Heritage Fund, an IT audit was conducted, resulting in further investments planned for 2024/25 to upgrade the infrastructure for the benefit of all site users. The completion of the Cromford Waterpower Project in December 2023 marks a significant milestone in our journey towards net zero. Over the winter/spring period, we achieved tangible electricity savings of approximately 20%, making a noticeable impact. We are currently in a phase of managing the equipment and assessing future maintenance needs.

The project was officially launched on June 4th 2024, providing an opportunity to thank all who funded and supported the initiative. These included Midlands Net Zero, the Rural Community Energy Fund, the Green Entrepreneurs Fund (Derbyshire County Council), Severn Trent Community Fund, Vaillant Boilers, Matrix, Gilkes, and numerous individual and local business donors.

This project included a community scheme to refurbish the existing hydro-turbine located at the Corn Mill in Cromford Village. The longer-term objective being to generate electricity and sell it back to the grid to raise funds for local community projects. With additional funding from the Wolfson Foundation, the first phase of this project with the restoration of the turbine, is complete.

Heritage, Visitors & Volunteering

The Heritage offer, which encompasses heritage tours, the visitor centre, and heritage talks is becoming a significant focus in our future plans. A renewed focus on the percentage of our visitors engaging with our heritage offer could have a large impact on the bottom line without requiring a large increase in footfall. Our volunteer teams, provide crucial support and expertise for our heritage initiatives and we are working together to ensure that voluntary effort is promoted in the most effective way. We are keen to recruit more volunteers and invest in the ones we have. With the generous funding from The Heritage Fund, Arts Council England and Museum Development Midlands we have been able to work effectively across teams at Belper and Cromford to relocate and reinterpret the historic objects formerly on display at Belper North Mill. This project involved the effective use of focus groups across seven workshops to harness the knowledge across two teams of volunteers and use it to collaboratively develop new and important narratives around social history. We continue to deliver the popular 'Highlighting Heritage' series, led by our volunteers across Belper and Cromford.

Achievements and performance (continued)

Education and Learning

Our educational programmes for primary schools (Key Stage 1 & 2) continue to be very popular with sales almost at capacity with the current resources. We are working on empowering our volunteer team to take a more active role in delivery, increasing the pupil to teacher ratio resulting in better pedagogy. A renewed partnership approach is being developed with the University of Derby to explore various initiatives around student engagement which will become a significant strand of delivery during 2024 with a focus on SEND. We will be exploring the expansion of our informal learning activity during school holidays and how we maximise the connections between this and our events programme.

Conferencing & Events

Events have been a key driver in encouraging increased visitor numbers to Cromford Mills. This has financial benefits with increased secondary spend and is targeting new audiences and widening engagement. The development of markets during the year: artisan and antiques has continued through 2023/24, with enhanced focus on Christmas markets and our Christmas offer. The markets also help engage and support new creative businesses in the local area.

"The Shine a Light" event was held for the third year in October 2023, a joint initiative with Derbyshire County Council. Whilst this brought positive visitor numbers and helped showcase the mill as a cultural venue, it was not profitable and therefore will not be repeated in 2024. We have continued to build on our events programme and several key events which support income generation and widening engagement: the dog show, Cromford Builds, The Vikings, Comicon, Adventure Weekend. This is proving successful with the added benefit of strengthening volunteer engagement for those who wish to get involved in events delivery.

The conferencing market is focused on Cromford Creative, Gothic Wharf and the marquee. This remains an area for development and how we ensure we remain competitive with other local venues.

Membership

We recognize the critical role our members play in sustaining Cromford Mills as an internationally significant heritage site. In 2024, we will review our membership program with the goal of expanding our base to secure even greater support. Our members are a dedicated audience who understand the importance of preserving this historic site.

Additionally, we are developing a corporate partnership scheme to engage more effectively with local businesses interested in investing in Cromford Mills and supporting our charitable objectives. We deeply value the unwavering support of our loyal members and hope to grow this support over the coming years.

Cromford Mill Ltd

The Arkwright Society's trading arm is the catering and retail offer. Catering income has grown over the year, and remains the highest proportion of income generation for both the trading arm and the Society. However, the challenges have been significant with several external factors affecting sales. These are: unpredictable weather impacting on general visitor numbers, shortages of staff recruitment particularly in catering, inflation, significantly higher utility costs, and cost of living impacts.

Retail sales through the mill shop have faced similar challenges. Despite some income growth, this is not proved profitable. The largest income potential through the mill shop is the heritage tours and membership sales. Changes are being made to improve the visitor experience offer and support the delivery of the heritage tours through the visitor experience team.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance (continued)

c. Fundraising activities and income generation

Fundraising through normal trading activities has increased this year in comparison to 2022/23. This has been bolstered with staff training in 'making the ask' and The Heritage Fund grant has supported ways to improve fundraising and income generation, including provision of on-site donation boxes. The recruitment of a Development Manager in March 2024 has brought renewed focus to fundraising, donations, membership, and grant opportunities. This work is ongoing throughout 2023/24. We are channelling increased income generation through more ticketed events, such as visits with Father Christmas and "Cromford Builds," while continuing to offer free site entry and balancing affordability with the need to generate revenue.

Financial review

a. Going concern

The Group's profit for the year of £202,104 consists of a surplus in restricted funds of £209,783 and loss in unrestricted funds of £7,679. Net current liabilities are £119,638.

These figures continue to reflect the challenging trading conditions and the numerous external factors the Society has faced over the last two financial years, post Covid. Despite lacking core funding, the Society has successfully secured capital and funding for the delivery of activities, from The Heritage Fund, Historic England, the Pilgrim Trust and the Headley Trust for expenditure spanning 2023-2025 – as well as the significant funding to realise the waterpower project. This significant support from funders reflects their acknowledgement of the Society's needs and their confidence in its capacity to execute projects and progress. Moreover, the Society has maintained strong support from its lenders with the Architectural Heritage Fund granting capital repayment holidays during the recovery period which resumed in April 2024, and consistent capital repayments to the Charity Bank and Lloyds.

The Trustees have prepared forecasts of income and expenditure and cash flow for a period of 12 months from approval of these financial statements which show that they will be able to operate within the facilities available to them. The Trustees recognise the facilities include increased grants and donations and have appointed a Development Manager, as fundraiser to support this initiative as priority.

The Trustees acknowledge there is some uncertainty surrounding the fundraising targets, however, these have been subjected to sensitivity analysis which takes a prudent view. The resulting forecasts and cash flow referred to above show the facilities to be sufficient and therefore, the Trustees believe that it is appropriate to prepare the accounts on a going concern basis.

The financial statements do not include the adjustments that might be required should this not be the case.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

b. Reserves policy

The Trustees have considered the reserves held by the Arkwright Society as of 31 March 2024. The Society needs reserves to enable it to develop its long term aims as well as ensuring the continuation of current activities. It is the Trustees' ambition to hold free reserves in cash which will be sufficient to cover three months operating costs. In order to meet their responsibilities, the Trustees have reviewed the requirements and risks faced by the Society both in the short and medium term.

Total funds at the year-end stood at £4,179k (2023: £3,977k as restated) of which £1,535k (2023: £1,542k) were unrestricted funds.

The unrestricted reserves are £1,535k but as shown in the accounts the unrestricted reserves already invested in the tangible fixed assets are in excess of this figure. Accordingly, the free reserves of the charity, being those reserves available to the Trustees for future commitment can be seen to be negative. Net current liabilities are £119,638 represented by unrestricted funds of £644,694 and therefore there are net current assets relating to restricted funds of £525,056. This recognises that the mill site was originally acquired with long term loans that are still being repaid.

It is the Trustees' long term aim to establish free reserves sufficient to enable a sustainable operation of the mill but until the restoration of the site is complete, that level cannot be quantified.

c. Principal risks and uncertainties

Trustees and management have reviewed potential risks and challenges the organisation could face in light of these challenging and uncertain times and produced an updated Risk Register for the organisation, which is reviewed by Trustees on a quarterly basis.

Structure, governance and management

a. Constitution

The Arkwright Society Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The company and the group are constituted under a Memorandum of Association and has a registered charity number 515526.

b. Methods of appointment or election of Trustees

Trustees are appointed on the basis of an analysis of the current skills of the Board and the need to strengthen its ability to direct the affairs of the Society, and the individual ability of any nominee to meet any perceived gap in skills and other qualities they may bring to the Society.

THE ARKWRIGHT SOCIETY LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

At present the Society is managed by its Trustee body, the Board of Trustees. This body meets up to ten times each year and has up to 12 members. Within the Board of Trustees there are three sub committees: Nominations, Audit and Risk and Remuneration Committees which meet as required.

In April 1994 the then Council of Management established a trading company, Cromford Mill Limited, and appointed Directors to manage it. These meet on a regular basis and from time to time report to the Board of Trustees.

d. Policies adopted for the induction and training of Trustees

The charity recognises its responsibility to ensure all new Trustees are given a Trustee Induction pack prior to appointment and meet with the Chair and CEO to clarify the responsibilities undertaken as a Trustee. Trustees also attend available external training courses.

The Board of Directors of The Arkwright Society, who are the Society's Trustees, and the Senior Leadership Team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Society on a day to day basis.

All Directors give their time freely and no Director received remuneration in the year. Details of Directors' expenses are disclosed in note 16 to the accounts.

e. Arrangements for setting pay and remuneration of key management personnel

The Terms and Conditions of all staff are reviewed annually, usually in March, by the Remuneration Committee wholly made up of Trustees. The Committee operates within the framework of the following principles:

- Ability to attract staff of the right calibre and experience
- Ability to retain such staff
- Affordability within the Society's financial resources

Salaries and conditions are considered in the context of the local market, having regard to the particular skills and knowledge required to manage a substantial building preservation trust in the charitable sector and in a commercial environment.

Whilst there is an annual review, there is no commitment to increase salaries or improve conditions, balancing affordability and the need to remain competitive.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management (continued)

f. Financial risk management

The Trustees have a risk management strategy which comprises:

- a Risk Register which sets out the principal risks and uncertainties that the charity and its subsidiary Cromford Mill Limited face. This is reviewed by the Senior Leadership Team and Trustees on a quarterly basis.
- the establishment of policies, systems and procedures to mitigate those risks identified in the reviews; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

As in prior years, this work has identified that financial sustainability is the major financial risk for both the charity and its subsidiary. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank and key funders, and active management of trade debtors and creditors balances, to ensure sufficient working capital by the Society and its subsidiary company.

Attention is focussed on non-financial risks arising from fire, health and safety, and food hygiene. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular awareness training for staff working in these operational areas. Health and Safety reports are tabled at each Trustee meeting.

g. Internal control

The Trustees have overall responsibility for ensuring that the charity has an appropriate system of financial management and other necessary controls. This is detailed in the Internal Control Manual. They are also responsible for safeguarding the assets of the charity and to this end must ensure that reasonable steps are taken for the prevention and detection of fraud and any other irregularities.

The Trustees accept that it is their responsibility to ensure that proper records are maintained, and accurate financial information is collected and retained and that the charity complies with the relevant laws and regulations.

The charity's Trustees recognise that whatever system is in place must be seen as managing rather than eliminating the risk of failure to achieve the charity's objectives and can only provide reasonable rather than absolute reassurance in these matters.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Plans for future periods

Future developments

The Society's focus for 2024-2025 is centered on restoring a more stable trading pattern, supporting staff and volunteers in their professional development and wellbeing, while advancing the implementation of the Strategic Business Plan and refreshed masterplan. This strategic effort places priority on the restoration and repurposing of Building 1, with the need to expediate the acquisition of significant capital funding to establish a sustainable long-term income stream for the Society.

Significant grants from Historic England and The Pilgrim Trust will facilitate an interim repair solution for the First Mill. This solution will include decontamination of the third floor, urgent high-level repairs and the replacement of the part asbestos roof with a lightweight alternative. This will ensure the building is watertight and stable until a permanent solution is realised. Work is scheduled for autumn 2024 for a period of twenty weeks. Furthermore, grant aid from Historic England has also been secured for urgent repairs to the rendered elevation of Building 1.

During 2024, the Arkwright Society is hosting a temporary exhibition on Florence Nightingale in collaboration with the Florence Nightingale Museum Trust. This exhibition will run from the end of July until 3rd November 2024. Additionally, the site now displays several historic objects from the former Belper North Mill Museum, showcasing them in the visitor centre as part of the broader interpretation of the Derwent Valley's historical and technological significance.

Information on fundraising practices

The charity raises funds through its commercial activities, donations, legacies and membership. Funds raised through these activities are allocated to general funds, unless specifically agreed with an individual or organization.

Funding for specific projects may be sought via sponsorship, donations, crowd funding, local fundraising activities and events. The allocation and purpose of those funds is made clear to donors and funders at the time of contribution.

A Development Manager has been appointed to take forward fundraising activities and grant applications for the Society. Their responsibility includes upholding the Society's commitment to ethical practices throughout all fundraising endeavours. The Arkwright Society does not use external, professional fundraising organisations or individuals to raise funds on its behalf. It ensures no fundraising activities it undertakes will exploit vulnerable individuals or intrude into an organisations' or individuals' privacy.

The Trustees and Senior Leadership Team have received no complaints in relation to fundraising or expenditure of its funds and ensures the use of all funds is transparent and clearly allocated.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Statement of Trustees' responsibilities

The Trustees (who are also the Directors of the company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 group and the parent charitable company and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP 2019 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

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

Disclosure of information to auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The auditor, BHP LLP, has indicated their willingness to continue in office. The Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

In approving the Trustees' report, we also approve the Directors' report included therein, in our capacity as company directors. This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by order of the members of the Board of Trustees and signed on their behalf by:



John Rivers
Chairman

Date:

11th SEPTEMBER 2024

THE ARKWRIGHT SOCIETY LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED

Opinion

We have audited the financial statements of The Arkwright Society Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024, which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and notes to the financial statements, including 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's and parent charitable company's affairs as at 31 March 2024, 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company 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.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates the events and conditions that may cast significant doubt on the Group's ability to continue as a going concern. As stated in note 2.2, these events or conditions along with the other matters as set forth in note 2.2 indicate that a material uncertainty exists.

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in note 2.2 of the financial statements concerning the group and parent charitable company's ability to continue as a going concern. The group incurred a net surplus of £202,104 during the year ended 31 March 2024 and as at that date the group has negative free reserves of £749,442. These conditions, along with the other matters explained in note 2.2 to the financial statements indicate the existence of a material uncertainty which may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and parent charitable company was unable to continue as a going concern.

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 other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. Our responsibility is to read the other information and, in doing so,

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED (CONTINUED)

consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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:

- 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's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the Directors of the parent 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 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 group and parent charitable company'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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED (CONTINUED)

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.

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:

- the senior statutory auditor 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 entity through discussions with Trustees and other management, and from our knowledge and experience of the 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 group and parent entity, including safeguarding legislation, health and safety requirements including fire safety, food hygiene, data protection laws, the Charities Act 2011 and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured 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 entity'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 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; and
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED (CONTINUED)

more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: 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 Chapter 3 of Part 16 of the Companies Act 2006. 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 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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Rachel Heath (Senior statutory auditor)

for and on behalf of

BHP LLP
Chartered Accountants
Statutory Auditor
2 Rutland Park
Sheffield
S10 2PD

Date: *11th September 2024*

THE ARKWRIGHT SOCIETY LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	As restated Total funds 2023 £
Income from:					
Donations and legacies	4	81,083	250,609	331,692	244,100
Charitable activities	5	522,682	235,676	758,358	539,979
Other trading activities	6	766,612	-	766,612	650,767
Investments	7	1,954	-	1,954	1,035
Other income	8	194,327	-	194,327	66,044
Total income		1,566,658	486,285	2,052,943	1,501,925
Expenditure on:					
Raising funds	9	653,002	-	653,002	581,845
Charitable activities	10	1,008,302	189,535	1,197,837	1,198,040
Total expenditure		1,661,304	189,535	1,850,839	1,779,885
Net (expenditure)/income		(94,646)	296,750	202,104	(277,960)
Transfers between funds	26	86,967	(86,967)	-	-
Net movement in funds		(7,679)	209,783	202,104	(277,960)
Reconciliation of funds:					
Total funds brought forward as previously stated		1,542,213	2,345,249	3,887,462	4,218,482
Prior year adjustment	25	-	89,114	89,114	36,054
Total funds brought forward as restated		1,542,213	2,434,363	3,976,576	4,254,536
Net movement in funds		(7,679)	209,783	202,104	(277,960)
Total funds carried forward		1,534,534	2,644,146	4,178,680	3,976,576

The consolidated statement of financial activities complies with the requirements for an income and expenditure account under the Companies Act 2006 and includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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REGISTERED NUMBER: 01630237

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	As restated 2023 £
Fixed assets			
Tangible assets	17	1,221,048	1,039,142
Heritage assets	18	3,925,164	3,925,164
		<u>5,146,212</u>	<u>4,964,306</u>
Current assets			
Stocks	20	-	21,228
Debtors	21	104,261	117,229
Cash at bank and in hand		241,792	350,749
		<u>346,053</u>	<u>489,206</u>
Creditors: amounts falling due within one year	22	(465,691)	(538,471)
Net current liabilities		<u>(119,638)</u>	<u>(49,265)</u>
Total assets less current liabilities		<u>5,026,574</u>	<u>4,915,041</u>
Creditors: amounts falling due after more than one year	23	(825,419)	(913,767)
Accruals and deferred income	24	(22,475)	(24,698)
Total net assets		<u><u>4,178,680</u></u>	<u><u>3,976,576</u></u>
Charity funds			
Restricted funds (includes revaluation reserve of £nil (2023: £24,901))	26	2,644,146	2,434,363
Unrestricted funds (includes revaluation reserve of £2,007,750 (2023: £2,007,750))	26	1,534,534	1,542,213
Total funds		<u><u>4,178,680</u></u>	<u><u>3,976,576</u></u>

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 01630237

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


John Rivers
Chairman

Date:

11 SEPTEMBER 2024

The notes on pages 24 to 55 form part of these financial statements.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 01630237

COMPANY BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	As restated 2023 £
Fixed assets			
Tangible assets	17	1,127,775	935,658
Heritage assets	18	3,925,164	3,925,164
Investments	19	2	2
		<u>5,052,941</u>	<u>4,860,824</u>
Current assets			
Debtors	21	104,073	110,952
Cash at bank and in hand		206,461	306,831
		<u>310,534</u>	<u>417,783</u>
Creditors: amounts falling due within one year	22	(380,677)	(438,681)
Net current liabilities		<u>(70,143)</u>	<u>(20,898)</u>
Total assets less current liabilities		<u>4,982,798</u>	<u>4,839,926</u>
Creditors: amounts falling due after more than one year	23	(822,694)	(879,786)
Total net assets		<u><u>4,160,104</u></u>	<u><u>3,960,140</u></u>
Charity funds			
Restricted funds (includes revaluation reserve of £nil (2023: £24,901))	26	2,644,146	2,434,363
Unrestricted funds (includes revaluation reserve of £2,007,750 (2023: £2,007,750))	26	1,515,958	1,525,777
Total funds		<u><u>4,160,104</u></u>	<u><u>3,960,140</u></u>

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

The company's net movement in funds for the year was £199,964 (2023 - £(236,765)).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



John Rivers
Chairman

Date:

11th September 2024

The notes on pages 24 to 55 form part of these financial statements.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	As restated 2023 £
Cash flows from operating activities			
Net cash used in operating activities	29	37,674	(165,499)
Cash flows from investing activities			
Interest received		1,954	1,035
Proceeds from the sale of tangible fixed assets		179,276	-
Purchase of tangible fixed assets		(267,562)	(112,275)
Tax paid		-	(3,562)
Net cash used in investing activities		(86,332)	(114,802)
Cash flows from financing activities			
Cash inflows from new borrowing		62,154	-
Repayments of borrowing		(71,461)	(90,843)
Interest paid		(50,992)	(12,982)
Net cash used in financing activities		(60,299)	(103,825)
Change in cash and cash equivalents in the year		(108,957)	(384,126)
Cash and cash equivalents at the beginning of the year		350,749	734,875
Cash and cash equivalents at the end of the year	30	241,792	350,749

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. General information

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The Arkwright Society Limited 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.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling, which is the functional currency of the charity and rounded to the nearest £1.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

The Group's profit for the year of £202,104 consists of a surplus in restricted funds of £209,783 and loss in unrestricted funds of £7,679. Net current liabilities are £119,638.

These figures reflect the challenging trading conditions and the numerous external factors the Society faces. Despite lacking core funding, the Society has successfully secured capital and funding for the delivery of activities, from The Heritage Fund, Historic England and the Pilgrim Trust for expenditure spanning 2023-2025. This significant support from funders reflects their acknowledgement of the Society's needs and their confidence in its capacity to execute projects and progress. Moreover, the Society has maintained strong support from its lenders with the Architectural Heritage Fund granting capital repayment holidays during the recovery period and consistent capital repayments to the Charity Bank and Lloyds.

The Trustees have prepared forecasts of income and expenditure and cash flow for a period of 12 months from approval of these financial statements which show that they will be able to operate within the facilities available to them. The Trustees recognise the facilities include increased grants and donations and have appointed a Development Manager, as fundraiser to support this initiative as priority.

The Trustees acknowledge there is some uncertainty surrounding the fundraising targets, however, these have been subjected to sensitivity analysis which takes a prudent view. The resulting forecasts and cash flow

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.2 Going concern (continued)

referred to above show the facilities to be sufficient and therefore, the Trustees believe that it is appropriate to prepare the accounts on a going concern basis.

The financial statements do not include the adjustments that might be required should this not be the case.

2.3 Income

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the group has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the group, can be reliably measured.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the group's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the group which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is expenditure incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The company 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 company 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.

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or donated, their valuation. Assets are subsequently stated at valuation less accumulated impairment losses. Acquisitions only arise when donated to the charity or if it is believed that they will further the charity's scientific, technological, geographical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public with prior agreement. Heritage assets are to be held for the foreseeable future. One heritage asset had previously been held under the historical cost model however, during 2021 an indicator of impairment existed which led to a full valuation of the asset being carried out by David Brown Commercial professional valuers on 31 March 2021. The valuation of the asset, based on future rental yield, was £1,622,413. In the opinion of Trustees, the value of the asset has not changed since this valuation as there has been no significant capital improvements made to the asset, it has been maintained in a good state of repair and rental income achieved on the asset has not significantly changed in value.

2.8 Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or donated, their valuation. Assets are subsequently stated at valuation less accumulated impairment losses. Acquisitions only arise when donated to the charity or if it is believed that they will further the charity's scientific, technological, geographical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public with prior agreement. Heritage assets are to be held for the foreseeable future. One heritage asset had previously been held under the historical cost model however, during 2021 an indicator of impairment existed which led to a full valuation of the asset being carried out by David Brown Commercial professional valuers on 31 March 2021. The valuation of the asset, based on future rental yield, was £1,622,413. In the opinion of Trustees, the value of the asset has not changed since this valuation as there has been no significant capital improvements made to the asset, it has been maintained in a good state of repair and rental income achieved on the asset has not significantly changed in value.

Waterwheel	- 5% straight line once operational
Fixtures and fittings	- 25% reducing balance or 5 years straight line
Cromford Whatecroft	- 25% reducing balance
Other fixed assets	- N/a

Depreciation is provided on the following bases:

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

2.7 Tangible fixed assets and depreciation (continued)

2. Accounting policies (continued)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

2. Accounting policies (continued)

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'gains/(losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

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

2.13 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.14 Financial instruments

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

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.15 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the parent charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the parent charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2.17 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Redundancy benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The charitable company recognises redundancy benefits when it is committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Freehold and long leasehold buildings and heritage assets are held at valuation. The valuations are carried out on a periodic basis by an independent qualified valuer and considered annually by the trustees.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

4. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations and gifts received	81,083	-	81,083	44,916
Grants receivable	-	250,609	250,609	199,184
	<u>81,083</u>	<u>250,609</u>	<u>331,692</u>	<u>244,100</u>
Total 2023	<u>23,325</u>	<u>220,775</u>	<u>244,100</u>	

5. Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Property services	391,322	95,252	486,574	389,239
Visitor services	74,892	146,061	220,953	89,058
Education and tours	56,468	(5,637)	50,831	61,682
Total 2024	<u>522,682</u>	<u>235,676</u>	<u>758,358</u>	<u>539,979</u>
Total 2023	<u>504,673</u>	<u>35,306</u>	<u>539,979</u>	

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Fundraising events	16,696	16,696	7,391
Cromford Mill Limited sales	749,916	749,916	643,376
	<u>766,612</u>	<u>766,612</u>	<u>650,767</u>
Total 2023	<u>650,767</u>	<u>650,767</u>	

7. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Bank interest receivable	1,954	1,954	1,035
	<u>1,035</u>	<u>1,035</u>	
Total 2023	<u>1,035</u>	<u>1,035</u>	

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

8. Other income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Car park income	69,304	69,304	65,544
Insurance claims	-	-	500
Income from recharged staff	2,747	2,747	-
Profit on disposal of fixed assets	122,276	122,276	-
	<u>194,327</u>	<u>194,327</u>	<u>66,044</u>
Total 2023	<u>66,044</u>	<u>66,044</u>	

9. Expenditure on raising funds

Direct costs

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Cromford Mill Limited- other costs	308,184	308,184	277,207
Cromford Mill Limited- wages and salaries	322,280	322,280	283,457
Cromford Mill Limited- NI	16,738	16,738	15,763
Cromford Mill Limited - pension costs	5,800	5,800	5,418
	<u>653,002</u>	<u>653,002</u>	<u>581,845</u>
Total 2023	<u>581,845</u>	<u>581,845</u>	

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
Visitors services	438,250	107,142	545,392	380,327
Property services	363,609	61,377	424,986	426,883
Heritage site management	186,161	1,043	187,204	230,574
Building 17	-	-	-	137,273
Governance (note 13)	20,282	19,973	40,255	22,983
	<u>1,008,302</u>	<u>189,535</u>	<u>1,197,837</u>	<u>1,198,040</u>
Total 2023	<u>1,112,543</u>	<u>85,497</u>	<u>1,198,040</u>	

11. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Visitors services	517,582	27,810	545,392	380,327
Property services	328,943	96,043	424,986	426,883
Heritage site management	73,485	113,719	187,204	230,574
Building 17	-	-	-	137,273
Governance (note 13)	-	40,255	40,255	22,983
	<u>920,010</u>	<u>277,827</u>	<u>1,197,837</u>	<u>1,198,040</u>
Total 2023	<u>917,760</u>	<u>280,280</u>	<u>1,198,040</u>	

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
Staff costs	227,440	245,217
Payroll and bookkeeping fees	10,132	12,080
Governance costs (note 13)	40,255	22,983
	<u>277,827</u>	<u>280,280</u>

Support costs are allocated based on a % of time spent.

12. Net income/(expenditure)

This is stated after charging:

	2024 £	As restated 2023 £
(Profit)/loss on disposal of tangible fixed assets	(122,276)	34
Depreciation of tangible fixed assets owned by the group	28,656	59,781
	<u>28,656</u>	<u>59,781</u>

13. Governance costs

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Audit and accountancy fees	20,282	-	20,282	22,983
Cromford Mill strategic costs	-	19,973	19,973	-
	<u>20,282</u>	<u>19,973</u>	<u>40,255</u>	<u>22,983</u>
Total 2023	<u>22,983</u>	<u>-</u>	<u>22,983</u>	

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

14. Auditor's remuneration

	2024	2023
	£	£
Fees payable to the group's auditor for the audit of the annual accounts	18,605	17,720
Fees payable to the group's auditor in respect of:		
All non-audit services not included above	6,510	5,250
	<u><u>25,115</u></u>	<u><u>22,970</u></u>

15. Staff costs

	Group	Group	Company	Company
	2024	As restated	2024	As restated
	£	2023	£	2023
		£		£
Wages and salaries	827,390	771,458	505,110	488,001
Social security costs	54,692	53,961	37,954	38,198
Contribution to defined contribution pension schemes	22,280	19,616	16,480	14,198
	<u><u>904,362</u></u>	<u><u>845,035</u></u>	<u><u>559,544</u></u>	<u><u>540,397</u></u>

Included within the above staff costs are redundancy costs totalling £29,843 of which £18,287 were non-contractual.

The prior year figures have been restated to eliminate intra-group recharges of wages between the parent and subsidiary which had the impact of reducing staff costs by £17,952 however had no overall impact to the statement of financial activities for the year to 31 March 2023.

The average number of persons employed by the group during the year was as follows:

	Group	Group
	2024	2023
	No.	No.
Tourism and visitor services	16	10
Site maintenance	4	5
Catering and retail	23	21
Administration and support	7	10
	<u><u>50</u></u>	<u><u>46</u></u>

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

15. Staff costs (continued)

The average headcount expressed as full-time equivalents was:

	Group 2024 No.	Group 2023 No.
Tourism and visitor services	7	9
Site maintenance	3	4
Catering and retail	13	14
Administration and support	6	7
	<hr/> 29 <hr/>	<hr/> 34 <hr/>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2024 No.	Group 2023 No.
In the band £60,001 - £70,000	1	-

The total amount of employee benefits received by key management personnel including employers national insurance and pension contribution is £326,582 (2023: £206,143). The Trustees consider its key management personnel comprise the Chief Executive Officer, Chief Finance Officer, Development Manager, Operations Manager, Head of Catering, Events Manager and Head of Engagement.

16. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - ENIL).

During the year ended 31 March 2024, no Trustee expenses have been incurred (2023 - ENIL).

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

17. Tangible fixed assets

Group

	Freehold property valuation £	Leasehold property valuation £	Cromford Wheatcroft cost £	Waterwheel cost £	Fixtures and fittings cost £	as restated Assets under construction cost £	Total £
Cost or valuation							
At 1 April 2023 - as restated	393,000	385,000	153,496	-	233,987	89,114	1,254,597
Additions	-	-	-	-	-	267,562	267,562
Disposals	(57,000)	-	-	-	-	-	(57,000)
Transfers between classes	-	-	-	356,676	-	(356,676)	-
At 31 March 2024	336,000	385,000	153,496	356,676	233,987	-	1,465,159
Depreciation							
At 1 April 2023	-	-	59,503	-	155,952	-	215,455
Charge for the year	-	-	7,675	-	20,981	-	28,656
At 31 March 2024	-	-	67,178	-	176,933	-	244,111

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

17. Tangible fixed assets (continued)

Group (continued)

	Freehold property valuation £	Leasehold property valuation £	Cromford Wheatcroft cost £	Waterwheel cost £	Fixtures and fittings cost £	as restated Assets under construction cost £	Total £
<i>Net book value</i>							
At 31 March 2024	336,000	385,000	86,318	356,676	57,054	-	1,221,048
At 31 March 2023	393,000	385,000	93,993	-	78,035	89,114	1,039,142

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

17. Tangible fixed assets (continued)

Company

	Freehold property valuation £	Leasehold property valuation £	Waterwheel cost £	Fixtures and fittings cost £	as restated Assets under construction cost £	Total £
<i>Cost or valuation</i>						
At 1 April 2023 - as restated	393,000	385,000	-	212,432	89,114	1,079,546
Additions	-	-	-	-	267,562	267,562
Disposals	(57,000)	-	-	-	-	(57,000)
Transfers between classes	-	-	356,676	-	(356,676)	-
At 31 March 2024	336,000	385,000	356,676	212,432	-	1,290,108
<i>Depreciation</i>						
At 1 April 2023	-	-	-	143,888	-	143,888
Charge for the year	-	-	-	18,445	-	18,445
At 31 March 2024	-	-	-	162,333	-	162,333

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

17. Tangible fixed assets (continued)

Company (continued)

	Freehold property valuation £	Leasehold property valuation £	Waterwheel cost £	Fixtures and fittings cost £	as restated Assets under construction cost £	Total £
<i>Net book value</i>						
At 31 March 2024	336,000	385,000	356,676	50,099	-	1,127,775
At 31 March 2023	393,000	385,000	-	68,544	89,114	935,658

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

17. Tangible fixed assets (continued)

The group has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	Group 2024 £	Group 2023 £
Freehold property	118,000	135,500
Long-term leasehold property	197,599	197,599
	315,599	333,099

Freehold property consists of Grace Cottage, Cromford Lock Up, Lumsdale Valley and the car park.

Leasehold property consists of Cromford Wharf and Cromford Station. The freehold and leasehold properties were revalued on 13 July 2021 and the financial statements have been updated to reflect this valuation. The valuation was carried out externally and independently by David Brown BSc MRICS RICS. In the Trustees opinion this valuation reflects the values as at 31 March 2024.

18. Heritage assets

Group and Company

Assets held at valuation

	Building 17 2024 £	Cromford Mill 2024 £	Total 2024 £
Carrying value at 1 April 2023 (as restated)	1,622,414	2,302,750	3,925,164
Carrying value at 31 March 2024	1,622,414	2,302,750	3,925,164

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

18. Heritage assets (continued)

Analysis of heritage asset transactions

Group and Company

	2024	2023	2022	2021	2020
	£	£	£	£	£
Charge for depreciation/ impairment					
Depreciation - heritage assets at cost (as restated)	-	-	-	(88,241)	(88,243)
Impairment - heritage assets at cost	-	-	-	(2,349,197)	-
Total charge for impairment	-	-	-	(2,437,438)	(88,243)

Heritage assets comprise the industrial buildings at Cromford Mill including Building 17 which has undergone a substantial renovation completed during 2016. The oldest buildings date back to the second half of the 18th century.

The heritage assets were revalued on 13 July 2021 and the financial statements have been updated to reflect this valuation. The valuation was carried out externally and independently by David Brown BSc MRICS RICS. In the Trustees opinion this valuation reflects the values as at 31 March 2024.

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

19. Fixed asset investments

<i>Company</i>	Investments in subsidiary companies £
<i>Cost or valuation</i>	
At 1 April 2023	2
At 31 March 2024	<u>2</u>
<i>Net book value</i>	
At 31 March 2024	2
At 31 March 2023	<u>2</u>

The investment comprises 100% of the share capital of Cromford Mill Limited, the charity's trading subsidiary. The results of that company are disclosed in note 36.

Transactions during the year with the subsidiary are disclosed in note 35.

20. Stocks

	Group 2024 £	Group 2023 £
Finished goods and goods for resale	-	<u>21,228</u>

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

21. Debtors

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Trade debtors	48,272	62,228	48,272	62,228
Other debtors	163	379	-	236
Prepayments and accrued income	55,826	54,622	55,801	48,488
	<u>104,261</u>	<u>117,229</u>	<u>104,073</u>	<u>110,952</u>

22. Creditors: Amounts falling due within one year

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Bank loans	116,955	76,143	85,699	46,819
Architectural Heritage Fund loan	50,972	12,743	50,972	12,743
Trade creditors	89,988	233,249	68,528	203,670
Amounts owed to group undertakings	-	-	46,928	810
Other taxation and social security	49,560	42,653	(7,535)	23,775
Other creditors	83,818	54,695	80,380	51,097
Accruals and deferred income	74,398	118,988	55,705	99,767
	<u>465,691</u>	<u>538,471</u>	<u>380,677</u>	<u>438,681</u>

Deferred income represents market income received in advance for market stalls and room hire during 2023/24.

	Group 2024 £	Group 2023 £
Deferred income		
Deferred income at 1 April 2023	6,107	4,024
Resources deferred during the year	5,027	6,107
Amounts released from previous periods	(6,107)	(4,024)
	<u>5,027</u>	<u>6,107</u>

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

23. Creditors: Amounts falling due after more than one year

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Bank loans	348,304	465,259	345,579	431,278
Architectural Heritage Fund loan re Building 17 and DCC loan	477,115	448,508	477,115	448,508
	<u>825,419</u>	<u>913,767</u>	<u>822,694</u>	<u>879,786</u>

Bank loans and overdrafts totalling £465,276 (2023: £541,402) are secured on assets of the charity as follows:-

- A 1st legal charge over commercial freehold property known as Old Trout Farm (Excl No 10), Cromford Mill, Cromford Matlock, Derbyshire dated 23/11/1988.
- A 1st legal charge over commercial freehold property known as Cromford Colour Mills, Cromford, Derbyshire - dated 18/11/1988.
- A 1st legal charge over residential property known as Grace Cottage, Station Rd, Cromford, Matlock, Derbyshire dated 16/02/2018.
- A 1st legal charge over commercial freehold property known as 10 Cromford Mill, Mill Road, Cromford, dated 16/02/2018.
- A 2nd legal charge over commercial freehold property known as 10 The Old Trout Farm, Cromford Mill, Cromford, Matlock, Derbyshire dated 19/10/1994.
- A 2nd legal charge over commercial freehold property known as Cromford Colour Mills, Cromford, Derbyshire dated 18/11/1988.
- A 2nd legal charge over commercial freehold property known as 10 Cromford Mill, Mill Road, Cromford, dated 19/10/1994.
- A 2nd legal charge over residential property known as Grace Cottage, Station Rd, Cromford, Matlock, Derbyshire dated 28/05/1999.
- An unlimited debenture dated 19/12/2001 incorporating a fixed and floating charges over the assets of the society.
- An unlimited debenture dated 16/02/2018 incorporating a fixed and floating charges over the assets of the society.

The bank loan of Cromford Mill Limited is secured on the fixed and floating assets of the company and subject to interest at a rate of 6.5% per annum. The loan is due to be repaid in full by May 2025. The Arkwright Society is guarantor for the loan.

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

24. Accruals and deferred income

	Group 2024 £	Group 2023 £
Grants	<u>22,475</u>	<u>24,698</u>

Deferred income represents government grants in respect of the renovation of leasehold property in Cromford Mill Limited and is being released in line with the depreciation policy of the leasehold property.

25. Prior year adjustments

The comparative figures have been restated to capitalise costs in relation to the Water Wheel as a fixed asset under construction. The impact on the consolidated balance sheet as at 31 March 2023 is to increase the value of fixed assets, net assets and restricted fund balances by £89,114. The impact on the statement of financial activities is to reduce restricted expenditure in 2023 by £89,114.

26. Statement of funds

Statement of funds - current year

	As restated Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Unrestricted funds					
General Funds - charity	1,525,777	816,742	(933,862)	107,301	1,515,958
General Funds - subsidiary	16,436	749,916	(727,442)	(20,334)	18,576
	<u>1,542,213</u>	<u>1,566,658</u>	<u>(1,661,304)</u>	<u>86,967</u>	<u>1,534,534</u>
Restricted funds					
Building 17 development & project fund	1,966,272	7,238	(6,059)	-	1,967,451
Lumsdale project	4,945	2,605	(2,464)	-	5,086
Cromford Station	139,438	-	-	-	139,438
Dunsley Meadows	56,967	-	-	(56,967)	-
Slinter Woodlands	30,000	-	-	(30,000)	-
Cromford hydro scheme	168,696	160,449	(23,106)	-	306,039
Sundry projects	1,224	3,251	(3,249)	-	1,226
D of D DDCT Grant	20,000	-	(19,973)	-	27

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

26. Statement of funds (continued)

Statement of funds - current year (continued)

	As restated Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Arkwright's books and artefacts	4,008	-	-	-	4,008
Slinter Woodland project	2,252	-	-	-	2,252
Guide resources fund	1,709	-	-	-	1,709
Education materials	2,045	-	-	-	2,045
Waterwheel Fund	-	90,160	(32,020)	-	58,140
DV Tours Project	16,896	(5,717)	(4,861)	-	6,318
Cromford Mill goes Digital!	620	-	-	-	620
NLHF Emergency Grants	5,378	219,299	(83,238)	-	141,439
Meeting Point	381	-	-	-	381
DE-Carbonise Grant	15,557	256	(3,330)	-	12,483
B18 project development	(4,500)	8,744	(9,010)	-	(4,766)
Reset & Recovery Grant Fund	2,475	-	(2,225)	-	250
	2,434,363	486,285	(189,535)	(86,967)	2,644,146
Total of funds	3,976,576	2,052,943	(1,850,839)	-	4,178,680

Statement of funds - prior year

	As restated Balance at 1 April 2022 £	Income £	As restated Expenditure £	Transfers in/out £	As restated Balance at 31 March 2023 £
Unrestricted funds					
General Funds - charity	1,924,630	598,391	(1,063,393)	66,149	1,525,777
General Funds - subsidiary	57,631	647,453	(630,995)	(57,653)	16,436
	1,982,261	1,245,844	(1,694,388)	8,496	1,542,213

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

26. Statement of funds (continued)

	As restated Balance at 1 April 2022 £	Income £	As restated Expenditure £	Transfers in/out £	As restated Balance at 31 March 2023 £
Restricted funds					
Building 17 development & project fund	1,956,140	15,000	(4,868)	-	1,966,272
Lumsdale project	3,466	2,643	(1,214)	50	4,945
Cromford Station	139,438	-	-	-	139,438
Dunsley Meadows	57,135	628	(796)	-	56,967
Slinter Woodlands	30,000	-	-	-	30,000
Cromford hydro scheme	(8,115)	179,184	(9,894)	7,521	168,696
Sundry projects	2,554	-	(102)	(1,228)	1,224
D of D DDCT Grant	-	20,000	-	-	20,000
Arkwright's books and artefacts	4,008	-	-	-	4,008
Slinter Woodland project	2,252	-	-	-	2,252
Guide resources fund	1,709	-	-	-	1,709
Education materials	3,064	-	(1,019)	-	2,045
Waterwheel Fund	13,278	18,320	(16,759)	(14,839)	-
DV Tours Project	4,835	16,581	(4,520)	-	16,896
Cromford Mill goes Digital!	620	-	-	-	620
NLHF Emergency Grants	13,320	-	(7,942)	-	5,378
Meeting Point	5,000	-	(4,619)	-	381
DE-Carbonise Grant	18,631	-	(3,074)	-	15,557
B18 project development	24,940	-	(29,440)	-	(4,500)
Reset & Recovery Grant Fund	-	3,725	(1,250)	-	2,475
	<u>2,272,275</u>	<u>256,081</u>	<u>(85,497)</u>	<u>(8,496)</u>	<u>2,434,363</u>
Total of funds	<u>4,254,536</u>	<u>1,501,925</u>	<u>(1,779,885)</u>	<u>-</u>	<u>3,976,576</u>

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

26. Statement of funds (continued)

The restricted funds represent monies donated or raised for a specific project of the charity. The purposes of the main restricted funds are given below.

The Building 17 development & project fund aims to develop a World Heritage Site and Gateway.

The Lumsdale project funds are for the continued preservation and archaeological works in Lumsdale.

Cromford Station is now completely refurbished and tenants in situ.

The Cromford Hydro Scheme aims to explore the possibility of renewable energy at the site by the installation of technology in order to generate hydro-electricity.

The D of DDCT Grant Fund - The Commissioning of a Strategic and Sustainable Business Plan and Masterplan for Cromford Mill.

The Arkwright's books and artefacts fund is an asset fund representing grants awarded to purchase Arkwright related purchases for display.

The Slinger Woodland project fund represents the funds obtained and expended in the continued management of the Slinger Woodland site as a 'Site of Specific Interest' SSSI.

The Guide Resources fund represents donations awarded to volunteer tour guides which can be spent to enhance tour guide knowledge and experience.

The Education materials fund is primarily income awarded under the Sandford Fund which can be used to promote the Educational offer at Cromford.

The Waterwheel fund is for the Waterpower project funding education, preservation and innovation.

The resilience fund aims to support the development of the World Heritage site.

The DV Tours project represents funding received from Derbyshire County Council's Great Place scheme for an entrepreneurial venture with Belper North Mill Trust to provide guided tours of the Derwent Valley, focussing on the Derwent Valley Mills World Heritage Site and other nearby visitor attractions.

Cromford Mills goes Digital! is a COVID19 response project awarded by Historic England helping to create a greater digital presence both online and on site.

The NLHF Emergency grants were awarded by National Lottery Heritage Fund who were administering funds under the Heritage Emergency Fund and subsequently under Culture Recovery Fund for Heritage.

The Meeting Point programme will lead to the commissioning of an artist project at Cromford Mills, awarded by Arts & Heritage.

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

26. Statement of funds (continued)

The DE-Carbonise Grant provides assistance to reduce carbon emissions through upgrading lighting in the Cromford Creative building and also replacing 4 non-condensing gas boilers with 2 condensing boilers, thus updating the heating systems in 3 of the buildings.

The B18 project development grant represents funds awarded by Historic England as a repair grant for Heritage at Risk.

The Reset & Recovery Grant Fund - promoting income growth with greater engagement.

There is one restricted fund currently in a deficit position due to funding being claimed in arrears.

A transfer was made in the year from restricted to unrestricted in relation to assets sold in the year.

27. Summary of funds

Summary of funds - current year

	As restated Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
General funds	1,542,213	1,566,658	(1,661,304)	86,967	1,534,534
Restricted funds	2,434,363	486,285	(189,535)	(86,967)	2,644,146
	<u>3,976,576</u>	<u>2,052,943</u>	<u>(1,850,839)</u>	<u>-</u>	<u>4,178,680</u>

Summary of funds - prior year

	As restated Balance at 1 April 2022 £	Income £	As restated Expenditure £	Transfers in/out £	As restated Balance at 31 March 2023 £
General funds	1,982,261	1,245,844	(1,694,388)	8,496	1,542,213
Restricted funds	2,272,275	256,081	(85,497)	(8,496)	2,434,363
	<u>4,254,536</u>	<u>1,501,925</u>	<u>(1,779,885)</u>	<u>-</u>	<u>3,976,576</u>

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

28. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	724,372	496,676	1,221,048
Heritage assets	2,302,750	1,622,414	3,925,164
Current assets	(179,003)	525,056	346,053
Creditors due within one year	(465,691)	-	(465,691)
Creditors due in more than one year	(825,419)	-	(825,419)
Provisions for liabilities and charges	(22,475)	-	(22,475)
Total	1,534,534	2,644,146	4,178,680

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	As restated Restricted funds 2023 £	As restated Total funds 2023 £
Tangible fixed assets	747,961	291,181	1,039,142
Heritage assets	2,302,750	1,622,414	3,925,164
Current assets	(31,562)	520,768	489,206
Creditors due within one year	(538,471)	-	(538,471)
Creditors due in more than one year	(913,767)	-	(913,767)
Provisions for liabilities and charges	(24,698)	-	(24,698)
Total As restated	1,542,213	2,434,363	3,976,576

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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

	Group 2024 £	Group As restated 2023 £
Net income/(expenditure) for the period (as per Statement of Financial Activities)	202,104	(277,960)
Adjustments for:		
Depreciation charges	28,656	30,317
Amortisation of government grant	(2,223)	(2,223)
Interest received	(1,954)	(1,035)
Interest paid	50,992	12,982
Profit on the sale of fixed assets	(122,276)	-
Decrease/ (increase) in stocks	21,228	(7,180)
Decrease/ (increase) in debtors	12,968	(49,404)
(Decrease)/ increase in creditors	(151,821)	129,004
Net cash used in operating activities	37,674	(165,499)

30. Analysis of cash and cash equivalents

	Group 2024 £	Group 2023 £
Cash in hand	241,792	350,749
Total cash and cash equivalents	241,792	350,749

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

31. Analysis of changes in net debt

	At 1 April 2023	Cash flows	At 31 March 2024
	£	£	£
Cash at bank and in hand	350,749	(108,957)	241,792
Debt due within 1 year	(88,886)	(79,041)	(167,927)
Debt due after 1 year	(913,767)	88,348	(825,419)
	<u>(651,904)</u>	<u>(99,650)</u>	<u>(751,554)</u>

32. Contingent liabilities

The charity has a possible obligation to repair and reinstate an aqueduct which was formally part of the Cromford Mill site. Derbyshire County Council (DCC) are unable to agree with Derbyshire Dales District Council (DDDC) and statutory consultees including Historic England (HE) on the height at which the aqueduct should be reinstated. The liability has been estimated at £295,000 and is contingent on an agreement being reached relevant parties and securing statutory consents at some point in the future.

33. Capital commitments

	Group 2024	Group 2023	Company 2024	Company 2023
	£	£	£	£
<i>Contracted for but not provided in these financial statements</i>				
Acquisition of tangible fixed assets	<u>13,929</u>	<u>-</u>	<u>13,929</u>	<u>-</u>

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

34. Operating lease commitments

At 31 March 2024 the Group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group	Company	Company
	2024	2023	2024	2023
	£	£	£	£
Not later than 1 year	34,466	34,583	5,325	6,583
Later than 1 year and not later than 5 years	10,147	12,106	9,313	12,106
Later than 5 years	17,559	19,687	17,559	19,687
	62,172	66,376	32,197	38,376

Lease payments recognised as an expense in the statement of financial activities were £34,583 (2023: £37,973).

35. Related party transactions

During 2013 the Duke of Devonshire, the President of the charity, made a loan to the charity of £35,000, £10,000 remained payable as at 31 March 2024 and 2023. The loan is interest free.

The company has a wholly owned subsidiary, Cromford Mill Limited, as detailed in note 36.

During the year, The Arkwright Society Limited charged the subsidiary rent and service charges of £77,777 (2023: £nil) labour recharges of £35,712 (2023: £nil) management and administration fees of £nil (2023: £nil). During the year the subsidiary made sales of £nil (2023: £1,854) to The Arkwright Society Limited and purchases from The Arkwright Society Limited of £171,089 (2023: £40,216).

During the year H Bishop, a Trustee, used the charity's shop to sell some goods to the value of £30. The income was received by the charity and then passed on to the Trustee.

At 31 March 2024, the charity owed £46,928 to the subsidiary (2023: £810).

During the year J Rivers, a Trustee donated £54,500 to the charity to cover a horsebox purchase, wage costs and other general costs.

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

36. Principal subsidiaries

The following was a subsidiary undertaking of the company:

Name	Company number	Class of shares	Holding
Cromford Mills Limited	02913429	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	2024 £	2023 £
<i>Cromford Mills Limited</i>		
Income	749,916	645,230
Expenditure	(727,442)	(628,772)
Profit for the year	<u>22,474</u>	<u>16,458</u>
Total assets	175,557	175,574
Total liabilities	(156,979)	(159,136)
Net assets	<u>18,578</u>	<u>16,438</u>

THE ARKWRIGHT SOCIETY LIMITED

England & Wales - Charity number 515526

Accounts

Registered number: 01630237
Charity number: 515526

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE ARKWRIGHT SOCIETY LIMITED
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THE ARKWRIGHT SOCIETY LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023

Trustees	J Rivers, Chair M Atkinson (resigned 31 December 2023) H Bishop V Dawson (appointed 24 May 2023) C Feely Dr R Gaunt (resigned 31 October 2022) P Holt (appointed 21 June 2023) G Lewins J Phipps (appointed 24 May 2023) G Pickup (resigned 28 February 2023) A Rawlings N Riddle L Summers (resigned 28 February 2023) W J Tracey (resigned 31 December 2023)
Company registered number	01630237
Charity registered number	515526
Registered office	Cromford Mill Road Cromford Matlock Derbyshire DE4 3RQ
Chief Executive Officer	Éilis Scott
President	The Duke of Devonshire KCVO CBE DL
Independent auditor	BHP LLP Chartered Accountants 2 Rutland Park Sheffield S10 2PD
Bankers	Lloyds TSB plc Compton Ashbourne Derbyshire DE6 1DY
Solicitors	Geldards LLP Number One Price Place Pride Park Derby DE24 8QR

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

The chairman presents his statement for the year.

Our financial year 2022/23 and the ensuing twelve months have seen a considerable reconstruction of the Board of Trustees and the Senior Leadership Team.

Changes in Trustees include the resignations of Mike Atkinson, Wendy Tracey, Greg Pickup, Laura Summers and Richard Gaunt but we have welcomed Vicky Dawson, Paula Holt and Jon Phipps as new Trustees. These changes bring valuable skills to the Society, as indeed have a series of new appointments to the Senior Leadership Team, including Clare Harris as CFO, Richard Crowder as Operations Manager, Dr Elizabeth Woledge as Head of Engagement, Robert Williams as Catering Manager and Joanne Williams as Development Manager, with the particular task of leading and growing our fundraising campaigns.

These appointments are necessary to boost our income and improve the Society's trading position. As you can see from the Accounts, the Society continues to struggle for profitable growth in the face of rising costs driven by inflation and the tripling of energy costs primarily due to the war in Ukraine. Our commercial activities almost solely enable us to remain in existence and carry out our prime purpose and responsibility. This is to care for our historic buildings and refurbish them so that they can be brought back into economic use for the benefit of our community and the satisfaction of our many supporters who value our industrial heritage.


It is not always appreciated that grants from public bodies and charitable trusts do not generally support commercial activities or operating costs, which amount to over £4,000 per day, and our ability to prosper primarily rests with ourselves.

As the Report shows, we continue to benefit and are extremely grateful to Historic England for the capital grants for essential repair and maintenance work on Building 1 and 'The First Mill' and to the National Lottery Heritage Fund for funding of several projects including a new Strategic Business Plan and masterplan for Cromford Mills. Our particular thanks also goes to funders of the 'Water Wheel Project,' including the Green Entrepreneurs' Fund and Severn Trent Community Fund, which celebrates the return of water power to Cromford Mills.

We clearly enjoy the continuing confidence of major funders and we are also being well supported during these problematic times by our banker, Lloyds.

This degree of confidence matters greatly as we develop our plans to restore and bring back Building 1 into full economic use and provide us with a bigger restaurant, and function suite. This project is crucial to the continuing success of the Arkwright Society and its ability to attract and cater for increasing numbers of visitors and strengthening the Society's commercial resilience.

The Trustees appreciate the leadership and commitment of Éilis Scott, our CEO, but we are dependent for our success on the efforts and hard work of all our staff and volunteers; their contribution has been invaluable and will remain so.


John Rivers
Date:

20 MARCH 2024

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the audited financial statements of the group for the year ended 31 March 2023. The Trustees' report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm that the Trustees' report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the company qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The Society has adopted the following mission statement in respect of its work on the Cromford Mills site much of which applies to the Society's work in general:

The Arkwright Society is committed to the regeneration of the Cromford Mills site and to the reuse of the buildings in ways that will provide them with a sustainable future, and which offers year-round employment that will contribute positively to the local economy. At the same time, the Society is aware of the international significance of the historic buildings in its care and in dealing with them, is conscious of its obligation to use the highest standards of repair and conservation practice. The Society acknowledges that monuments of such universal importance, inscribed by UNESCO, attract widespread interest which those who enjoy the stewardship of such heritage must respect, by providing interpretation of the highest quality and extensive public access.

The Society also has educational, social, accessibility and environmental agendas, which commit it to the provision of educational engagement, training, work experience opportunity whilst developing accessibility and green energy initiatives, as well as the recycling of materials and a sustainable transport policy. These aspirations will inform the delivery of its conservation and educational programmes.

b. Activities undertaken to achieve objectives

The Society delivers its charitable objects through a range of activities many of which are long established. Its principal educational provision is made through the delivery of primary, secondary school and higher educational visits. The Society continues to support various heritage talks, often led by volunteers, and continues to participate in educational initiatives delivered by the Derwent Valley World Heritage Site (DVMWHS) management team, including the DVMWHS Research days. The Society hosts work placements for students to develop their skills within the workplace and gain a deeper understanding of the Charity and its objectives.

Throughout the year, tours of the Cromford Mills are provided for visitors and booked parties and informal learning opportunities are promoted to visitors, especially families, during the school holidays.

The Society's conservation objectives are met primarily through the ongoing repair and maintenance of Cromford Mills and the wider estate. Resource allocation is managed by the maintenance team, focusing on regular maintenance and specific repairs. Decisions are guided by condition assessments and expert recommendations.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

c. Volunteers

Volunteering is open to all, and volunteers can work on a wide range of activities and in addition provide professional advice and guidance at various levels of the Society.

- The Head of Engagement, in consultation with the Volunteer Coordinator, staff and volunteer representatives, will identify volunteering opportunities and define those roles through role profiles.
- Some volunteers have supported the Society for many years, working regularly or for specific time periods.

The Arkwright Society's volunteer policy is to

- Ensure that volunteers feel valued.
- Establish an active management system to enable volunteers to feel like an effective member of the team.
- Ensure all volunteers know who their point of contact is and where they sit in the organisational structure.
- Ensure effective, regular two-way communication with all volunteers so that all staff and volunteers work positively together and, where appropriate, actively seek to involve each other in their work.
- Effectively match the needs of the organisation with the skills, experience, and knowledge of the volunteer.
- Have an up-to-date business plan for volunteers to implement this policy.
- Foster a friendly and supportive atmosphere aiming to make volunteering a fun and pleasant experience of mutual gain.

d. Main activities undertaken to further the company's purposes for the public benefit

The Trustees confirm that they have given careful consideration to the Charity Commission's general guidance on public benefit.

The public benefits derived from the Society's activities include:

- The advancement of education and specifically the provision of guided tours for the site and village, as well as adult and school parties throughout the year. The provision of heritage interpretation within the visitor centre and through industrial heritage and local history literature, the development of archive material to assist educational research, the provision of programmes of lectures, visits, and events on and to sites of historical interest.
- The advancement of arts, heritage, and culture specifically the Society's commitment to the regeneration of the Cromford Mills site and to the reuse of buildings in ways which will provide them with a sustainable future; public access to the Society's main sites for their enjoyment of these sites; membership of and support of the Derwent Valley Mills World Heritage Site Partnership and its attendant committees on which the Society is represented; the Society's membership and promotion of the European Route of Industrial Heritage for which Cromford Mill is a designated anchor point; participation in the Heritage Open Days programme and locally in the Derwent Valley Mills heritage activities, and delivery of an extensive annual events programme promoting arts, culture, heritage and wider engagement.
- The advancement, protection and improvement of the natural environment including the management of Dunsley Meadows designated as Derbyshire Dales first Local Nature Reserve, areas of Slinger Woodlands an established Site of Specific Interest (SSSI – Natural England designation) and a Special Area of Conservation (SAC – European Union designation), the management of Lumsdale, a bequest to the Society and a valley of outstanding natural beauty and industrial heritage interest on the north side of Matlock, and Church Walk, adjacent to Cromford Mills.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

a. Key performance indicators

Notes 4 to 8 detail income which totals £1,502k (2022: £1,544k). Within these:

- Income from other trading activities increased by £46k to £651k (2022: £605k).
- Income from charitable activities decreased by £23k to £540k (2022: £563k).
- Other incoming resources totalled £67k (2022: £321k) reflecting government grants received during the year.
- Income from donations and legacies increased by £190k to £244k (2022: £55k).

Notes 9 and 10 detail costs of raising funds and charitable activities which total £1,869k (2022: £1,599k as restated). Within these:

- Governance costs total £22,983 (2022: £17,610).

The net deficit for the year totalled £367k (2022: £59k as restated after a tax charge of £4k). This was made up of a deficit of £440k on unrestricted funds (2022: £134k surplus) and a surplus of £73k on restricted funds (2022: £193k deficit).

At the year-end reserves consisted of restricted funds of £2,345k (2022: £2,272k as restated) and unrestricted funds of £1,542k (2022: £1,982k), a total of £3,887k (2022: £4,254k as restated).

b. Review of activities

The Arkwright Society continues to develop and progress with its objective of further development of the Cromford Mills site, bringing back in to use those buildings not currently fully utilised and so removing them from the Historic England's National Heritage at Risk Register.

Throughout the year, the Society has made important steps forward, thanks to a generous grant of £249,599 from the National Heritage Lottery Fund, which has bolstered its resilience. Additionally, support from the Duke of Devonshire Charitable Trust has enabled the commissioning of a 10 year strategic business plan and masterplan. These plans are crucial for prioritising future regeneration efforts and determining the sequencing of major projects, providing a solid framework for the Society's continued progress.

Despite enduring challenges stemming from the pandemic and unforeseen external factors, including the significant increases in utility costs and economic uncertainties, the Society remains steadfast in its commitment to growth. While these challenges have posed obstacles, they have also underscored the importance of collaboration with key stakeholders and partners. The Society remains optimistic about its ability to strengthen and become more resilient, ultimately fulfilling its primary objectives for the regeneration of Cromford Mills.

THE ARKWRIGHT SOCIETY LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

Property & Site Operations

Demand for office and retail space remains robust, with a particularly strong demand for single office spaces. Revenue from this demand has met expectations and shows promising signs for the short to medium term.

The Cromford water power project secured capital funding during the financial year from multiple sources including: Green Entrepreneurs Fund (Derbyshire County Council), Severn Trent Community Fund, and additional support from Vaillant Boilers.

The work program primarily takes place during the 2023 calendar year. During 2023, a successful crowd funding campaign has also supported the funding, including a generous contribution from Gilbert Gilkes and Gordon Ltd. It is estimated that the electricity generated will account for up to 20-25% of the site's electricity consumption. This assumption will be tested during the full calendar year. The scheme includes the following components:

- Refurbishment and installation of a 1957, 15kW Gilkes hydro turbine sourced from Wales.
- Reinstatement of a 6m diameter waterwheel generating 2kW.
- Implementation of a water source heating system
- Establishment of a closed-loop waterflow control system to optimize power generation and maintain water levels in the Cromford Canal.

Funded by the Wolfson Foundation, a community scheme is being progressed to refurbish the existing hydro-turbine located at the Corn Mill in Cromford Village. The objective is to generate electricity and sell it back to the grid to raise funds for local community projects.

Heritage, Visitors & Volunteering

The Heritage offer, which encompasses heritage tours, the visitor centre, and heritage talks, remains steadfastly delivered by our committed staff and volunteers. Although visitor numbers have yet to fully rebound to pre-pandemic levels, there is optimism in strengthening this offer. Our volunteer teams, including corporate volunteers and work experience placements, provide crucial support for our initiatives. The wealth of knowledge and experience among our volunteers significantly enrich the visitor experience. Volunteers continue to play an active role in preserving the natural environment and managing the estate throughout the year. Notably, Lumsdale relies heavily on volunteer assistance for fundraising efforts and various works, including heritage tours, tree and woodland management.

Following the closure of Belper North Mill Museum, collaborative efforts are underway with the Belper North Mill Trust and Belper Volunteers to ensure the continuity of the Belper story. These initiatives aim to sustain educational outreach and foster closer cooperation between volunteers and organisations, thereby strengthening the Derwent Valley Mills World Heritage Site northern gateway. To support these endeavours, a joint volunteer coordinator position was established in March 2023 for a two-year term, with funding provided by the National Lottery Heritage Fund (NLHF) and the Belper North Mill Trust.

Education and Learning

The revenue from educational visits has returned more strongly than anticipated post pandemic levels with continued interest from primary schools (Key Stage 1 & 2). The joint initiatives with the Derwent Valley Mills World Heritage site team and the proactive work of the Learning team continue to develop the educational offer and school bookings have been strong and include a wider uptake from schools in areas of need. A renewed partnership approach is being developed with the University of Derby to explore various initiatives around student engagement. A post graduate study on expanding the Society's higher education offer has been produced, to be developed further over the coming year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

Conferencing & Events

Events have been a key driver in encouraging increased visitor numbers to Cromford Mills. This has financial benefits with increased secondary spend and is targeting new audiences and widening engagement. The development of markets during the year: artisan and antiques in particular has continued, with enhanced focus on Christmas markets and our Christmas offer. The markets also help engage and support new creative businesses in the local area.

"The Shine a Light" event was held for the second year in October 2022, a joint initiative with Derbyshire County Council. Whilst this was not profitable, it brought positive visitor numbers and showcased the mill as a cultural venue. Developing our annual events and activities, including the dog show and Comicon is embracing a broader programme, beyond the more traditional heritage offer. This is proving successful with the added benefit of strengthening volunteer engagement for those who wish to get involved in events delivery.

The conferencing market has shown some signs of return with bookings for both the Gothic Wharf and Cromford Creative. This remains an area for development. Renewed engagement with East Midlands Chamber and local organisations and businesses have increased bookings within Cromford Creative and the Gothic Wharf.

Membership

Arkwright Society membership has remained constant and the support of the loyal base of members with membership numbers sustained.

Cromford Mill Ltd

The Arkwright Society's trading arm is the catering and retail offer. Catering income has grown over the year, and remains the highest proportion of income generation for both the trading arm and Society. However, the challenges have been significant with several external factors affecting sales. These are: unpredictable weather impacting on general visitor numbers, shortages in staff recruitment (a national problem driven by changing working patterns and the possible impact of Brexit on the labour market), inflation, significantly higher utility costs, and cost of living impacts.

Retail sales through the mill shop have faced similar challenges. Despite some income growth, this is not proved profitable. Changes were made to improve the visitor experience offer and support the delivery of the heritage tours through the visitor experience team.

c. Fundraising activities and income generation

Fundraising through normal trading activities has increased this year in comparison to 2021/22. This has been bolstered with staff training in 'making the ask', which has been most effective at events. The NLHF grant has supported ways to improve fundraising and income generation, including provision of on-site donation boxes. This work continues through 2023. Notably several ticketed events, like Shine a Light and visits with Father Christmas have been introduced, with plans to further refine and expand these offerings while maintaining free entry to the site, and balancing affordability with the need to generate income.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Financial review

a. Going concern

The Group's loss for the year of £367,074 consists of a surplus in restricted funds of £72,974 and loss in unrestricted funds of £440,048. Net current liabilities are £49,265.

These figures reflect the challenging trading conditions and the numerous external factors the Society faces. Despite lacking core funding, the Society has successfully secured capital and funding for the delivery of activities, from the National Heritage Lottery Fund, Historic England and the Pilgrim Trust for expenditure spanning 2023-2025. This significant support from funders reflects their acknowledgement of the Society's needs and their confidence in its capacity to execute projects and progress. Moreover, the Society has maintained strong support from its lenders with the AHF granting capital repayment holidays during the recovery period and consistent capital repayments to the Charity Bank and Lloyds.

The Trustees have prepared forecasts of income and expenditure and cash flow for a period of 12 months from approval of these financial statements which show that they will be able to operate within the facilities available to them. The Trustees recognise the facilities include increased grants and donations and have appointed a Development Manager, as fundraiser to support this initiative as priority.

The Trustees acknowledge there is some uncertainty surrounding the fundraising targets, however, these have been subjected to sensitivity analysis which takes a prudent view. The resulting forecasts and cash flow referred to above show the facilities to be sufficient and therefore, the Trustees believe that it is appropriate to prepare the accounts on a going concern basis.

The financial statements do not include the adjustments that might be required should this not be the case.

b. Reserves policy

The Trustees have considered the reserves held by the Arkwright Society as of 31 March 2023. The Society needs reserves to enable it to develop its long term aims as well as ensuring the continuation of current activities. It is the Trustees' ambition to hold free reserves in cash which will be sufficient to cover three months operating costs. In order to meet their responsibilities, the Trustees have reviewed the requirements and risks faced by the Society both in the short and medium term.

Total funds at the year-end stood at £3,887k (2022: £4,255k as restated) of which £1,542k (2022: £1,982k) were unrestricted funds.

The unrestricted reserves are £1,542k but as shown in the accounts the unrestricted reserves already invested in the tangible fixed assets are in excess of this figure. Accordingly, the free reserves of the charity, being those reserves available to the Trustees for future commitment can be seen to be negative. Net current liabilities are £49,265 represented by unrestricted funds of £570,033 and therefore there are net current assets relating to restricted funds of £520,768. This recognises that the mill site was originally acquired with long term loans that are still being repaid. It is the Trustees' long term aim to establish free reserves sufficient to enable a sustainable operation of the mill but until the restoration of the site is complete, that level cannot be quantified.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

c. Principal risks and uncertainties

Trustees and management have reviewed potential risks and challenges the organisation could face in light of these challenging and uncertain times and produced an updated Risk register for the organisation, which is reviewed by Trustees on a quarterly basis.

Structure, governance and management

a. Constitution

The Arkwright Society Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The company and the group are constituted under a Memorandum of Association and has a registered charity number 515526.

b. Methods of appointment or election of Trustees

Trustees are appointed on the basis of an analysis of the current skills of the Board and the need to strengthen its ability to direct the affairs of the Society, and the individual ability of any nominee to meet any perceived gap in skills and other qualities they may bring to the Society.

c. Organisational structure and decision-making policies

At present the Society is managed by its Trustee body, the Board of Trustees. This body meets up to ten times each year and has up to 12 members. Within the Board of Trustees there are three sub committees: Nominations, Audit and Risk and Remuneration Committees which meet as required.

In April 1994 the then Council of Management established a trading company, Cromford Mill Limited, and appointed Directors to manage it. These meet on a regular basis and from time to time report to the Board of Trustees.

d. Policies adopted for the induction and training of Trustees

The charity recognises its responsibility to ensure all new Trustees are given a Trustee Induction pack prior to appointment and meet with the Chair and CEO to clarify the responsibilities undertaken as a Trustee. Trustees also attend available external training courses.

e. Terms and Conditions of Employment

The Board of Directors of The Arkwright Society, who are the Society's Trustees, and the Senior Leadership Team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Society on a day to day basis.

All Directors give their time freely and no Director received remuneration in the year. Details of Directors' expenses are disclosed in note 16 to the accounts.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

The Terms and Conditions of all staff are reviewed annually, usually in March, by the Remuneration Committee wholly made up of Trustees. The Committee operates within the framework of the following principles:

- Ability to attract staff of the right calibre and experience
- Ability to retain such staff
- Affordability within the Society's financial resources

Salaries and conditions are considered in the context of the local market, having regard to the particular skills and knowledge required to manage a substantial building preservation trust in the charitable sector and in a commercial environment.

Whilst there is an annual review, there is no commitment to increase salaries or improve conditions, balancing affordability and the need to remain competitive.

f. Financial risk management

The Trustees have a risk management strategy which comprises:

- a Risk Register which sets out the principal risks and uncertainties that the charity and its subsidiary Cromford Mill Limited face. This is reviewed by the Senior Leadership Team and Trustees on a quarterly basis.
- the establishment of policies, systems and procedures to mitigate those risks identified in the reviews; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

As in prior years, this work has identified that financial sustainability is the major financial risk for both the charity and its subsidiary. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank and key funders, and active management of trade debtors and creditors balances, to ensure sufficient working capital by the Society and its subsidiary company.

Attention is focussed on non-financial risks arising from fire, health and safety, and food hygiene. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular awareness training for staff working in these operational areas. Health and Safety reports are tabled at each Trustee meeting.

g. Internal control

The Trustees have overall responsibility for ensuring that the charity has an appropriate system of financial management and other necessary controls. This is detailed in the Internal Control Manual. They are also responsible for safeguarding the assets of the charity and to this end must ensure that reasonable steps are taken for the prevention and detection of fraud and any other irregularities.

The Trustees accept that it is their responsibility to ensure that proper records are maintained, and accurate financial information is collected and retained and that the charity complies with the relevant laws and regulations.

The charity's Trustees recognise that whatever system is in place must be seen as managing rather than eliminating the risk of failure to achieve the charity's objectives and can only provide reasonable rather than absolute reassurance in these matters.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Plans for future periods

Future developments

The Society's focus for 2023-2024 has been centered on restoring a more stable trading pattern while advancing the commissioning of the Strategic Business Plan and a refreshed masterplan. This strategic effort places priority on the restoration and repurposing of Building 1, with the need to expediate the acquisition of significant capital funding to establish a sustainable long-term income stream for the Society.

Grants from Historic England and The Pilgrim Trust will facilitate an interim repair solution for the First Mill. This solution will include decontamination of the third floor, urgent high-level repairs and the replacement of the part asbestos roof with a lightweight alternative. This will ensure the building is watertight and stable until a permanent solution is realised. Furthermore, grant aid from Historic England has also been secured for urgent repairs to part of Building 1 rendered elevation.

During 2024, the Arkwright Society plans to host a temporary exhibition on Florence Nightingale in collaboration with the Florence Nightingale Museum Trust. Additionally, the site will welcome several historic objects from the former Belper North Mill Museum, showcasing them in the visitor centre as part of the broader interpretation of the Derwent Valley's historical and technological significance.

Information on fundraising practices

The charity raises funds through its commercial activities, donations, legacies and membership. Funds raised through these activities are allocated to general funds, unless specifically agreed with an individual or organization.

Funding for specific projects may be sought via sponsorship, donations, crowd funding, local fundraising activities and events. The allocation and purpose of those funds is made clear to donors and funders at the time of contribution.

A Development Manager has been appointed to take forward fundraising activities and grant applications for the Society. Their responsibility includes upholding the Society's commitment to ethical practices throughout all fundraising endeavours. The Arkwright Society does not use external, professional fundraising organisations or individuals to raise funds on its behalf. It ensures no fundraising activities it undertakes will exploit vulnerable individuals or intrude into an organisations' or individuals' privacy.

The Trustees and Senior Leadership Team have received no complaints in relation to fundraising or expenditure of its funds and ensures the use of all funds is transparent and clearly allocated.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Statement of Trustees' responsibilities

The Trustees (who are also the Directors of the company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 group and the parent charitable company and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP 2019 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

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

Disclosure of information to auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The auditor, BHP LLP, has indicated their willingness to continue in office. The Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

In approving the Trustees' report, we also approve the Directors' report included therein, in our capacity as company directors. This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by order of the members of the Board of Trustees and signed on their behalf by:


Trustees

Date: 20 March 2024

THE ARKWRIGHT SOCIETY LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED

We have audited the financial statements of The Arkwright Society Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and notes to the financial statements, including 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's and parent charitable company's affairs as at 31 March 2023, 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company 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.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates the events and conditions that may cast significant doubt on the Group's ability to continue as a going concern. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists.

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in note 2.2 of the financial statements concerning the group and parent charitable company's ability to continue as a going concern. The group incurred a net deficit of £367,074 during the year ended 31 March 2023 and as at that date the group has negative free reserves of £570,033. These conditions, along with the other matters explained in note 2.2 to the financial statements indicate the existence of a material uncertainty which may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and parent charitable company was unable to continue as a going concern.

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 other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED

inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

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, which includes the Directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report included within the Trustees' report has 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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:

- 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's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the Directors of the parent 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 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 group and parent charitable company'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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED (CONTINUED)

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.

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:

- 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 entity through discussions with Trustees and other management, and from our knowledge and experience of the 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 group and parent entity, including safeguarding legislation, health and safety requirements including fire safety, food hygiene, data protection laws, the Charities Act 2011 and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured 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 entity'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 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; and
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED (CONTINUED)

more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: 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 Chapter 3 of Part 16 of the Companies Act 2006. 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 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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Signer ID: AV3MHV6Q7Z...

Jane Marshall (Senior statutory auditor)

for and on behalf of

BHP LLP
Chartered Accountants
Statutory Auditor
2 Rutland Park
Sheffield
S10 2PD

Date: 27/03/2024 GMT

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Income from:					
Donations and legacies	4	23,325	220,775	244,100	54,544
Charitable activities	5	504,673	35,306	539,979	562,722
Other trading activities	6	650,767	-	650,767	604,957
Investments	7	1,035	-	1,035	15
Other income	8	66,044	-	66,044	321,328
Total income		1,245,844	256,081	1,501,925	1,543,566
Expenditure on:					
Raising funds	9	581,845	-	581,845	487,092
Charitable activities	10	1,112,543	174,611	1,287,154	1,111,617
Total expenditure		1,694,388	174,611	1,868,999	1,598,709
Net (expenditure)/income before taxation		(448,544)	81,470	(367,074)	(55,143)
Taxation		-	-	-	(3,673)
Net (expenditure)/income after taxation		(448,544)	81,470	(367,074)	(58,816)
Transfers between funds	26	8,496	(8,496)	-	-
Net movement in funds		(440,048)	72,974	(367,074)	(58,816)
Reconciliation of funds:					
Total funds brought forward as previously stated		1,982,261	2,236,221	4,218,482	4,313,352
Prior year adjustment	25	-	36,054	36,054	-
Total funds brought forward as restated		1,982,261	2,272,275	4,254,536	4,313,352
Net movement in funds		(440,048)	72,974	(367,074)	(58,816)
Total funds carried forward		1,542,213	2,345,249	3,887,462	4,254,536

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE
ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

The consolidated statement of financial activities complies with the requirements for an income and expenditure account under the Companies Act 2006 and includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 01630237

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	As restated 2022 £
Fixed assets			
Tangible assets	17	950,028	957,184
Heritage assets	18	3,925,164	3,925,164
		<u>4,875,192</u>	<u>4,882,348</u>
Current assets			
Stocks	20	21,228	14,048
Debtors	21	117,282	67,878
Cash at bank and in hand		350,749	734,875
		<u>489,259</u>	<u>816,801</u>
Creditors: amounts falling due within one year	22	(538,524)	(437,145)
Net current (liabilities) / assets		<u>(49,265)</u>	<u>379,656</u>
Total assets less current liabilities		<u>4,825,927</u>	<u>5,262,004</u>
Creditors: amounts falling due after more than one year	23	(913,767)	(980,547)
Accruals and deferred income	24	(24,698)	(26,921)
Total net assets		<u><u>3,887,462</u></u>	<u><u>4,254,536</u></u>
Charity funds			
Restricted funds (includes revaluation reserve of £24,901 (2022: £24,901))	26	2,345,249	2,272,275
Unrestricted funds (includes revaluation reserve of £2,007,750 (2022: £2,007,750))	26	1,542,213	1,982,261
Total funds		<u><u>3,887,462</u></u>	<u><u>4,254,536</u></u>

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 01630237

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



J Rivers

Date:

20 MARCH 2024

The notes on pages 24 to 52 form part of these financial statements.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 01630237

COMPANY BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	As restated 2022 £
Fixed assets			
Tangible assets	17	846,544	847,533
Heritage assets	18	3,925,164	3,925,164
Investments	19	2	2
		<u>4,771,710</u>	<u>4,772,699</u>
Current assets			
Debtors	21	111,005	91,675
Cash at bank and in hand		306,831	590,942
		<u>417,836</u>	<u>682,617</u>
Creditors: amounts falling due within one year	22	(438,734)	(341,170)
Net current assets		<u>(20,898)</u>	<u>341,447</u>
Total assets less current liabilities		<u>4,750,812</u>	<u>5,114,146</u>
Creditors: amounts falling due after more than one year	23	(879,786)	(917,241)
Total net assets		<u><u>3,871,026</u></u>	<u><u>4,196,905</u></u>
Charity funds			
Restricted funds (includes revaluation reserve of £24,901 (2022: £24,901))	26	2,345,249	2,272,275
Unrestricted funds (includes revaluation reserve of £2,007,750 (2022: £2,007,750))	26	1,525,777	1,924,630
Total funds		<u><u>3,871,026</u></u>	<u><u>4,196,905</u></u>

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities. The company's net movement in funds for the year was £(325,879) (2022 - (£123,887) as restated).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


J Rivers

Date: 20th MARCH 2024

The notes on pages 24 to 52 form part of these financial statements.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	29	(253,578)	80,125
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		-	195
Purchase of tangible fixed assets		(23,161)	(18,637)
Tax paid		(3,562)	-
Net cash used in investing activities		(26,723)	(18,442)
Cash flows from financing activities			
Repayments of borrowing		(90,843)	(49,553)
Interest paid		(12,982)	(48,573)
Net cash used in financing activities		(103,825)	(98,126)
Change in cash and cash equivalents in the year		(384,126)	(36,443)
Cash and cash equivalents at the beginning of the year		734,875	771,318
Cash and cash equivalents at the end of the year	30	350,749	734,875

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The Arkwright Society Limited 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.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items and fair value. The financial statements are presented in sterling, which is the functional currency of the charity and rounded to the nearest £1.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

The Group's loss for the year of £367,074 consists of a surplus in restricted funds of £72,974 and loss in unrestricted funds of £440,048. Net current liabilities are £49,265.

These figures reflect the challenging trading conditions and the numerous external factors the Society faces. Despite lacking core funding, the Society has successfully secured capital and funding for the delivery of activities, from the National Heritage Lottery Fund, Historic England and the Pilgrim Trust for expenditure spanning 2023-2025. This significant support from funders reflects their acknowledgement of the Society's needs and their confidence in its capacity to execute projects and progress. Moreover, the Society has maintained strong support from its lenders with the AHF granting capital repayment holidays during the recovery period and consistent capital repayments to the Charity Bank and Lloyds.

The Trustees have prepared forecasts of income and expenditure and cash flow for a period of 12 months from approval of these financial statements which show that they will be able to operate within the facilities available to them. The Trustees recognise the facilities include increased grants and donations and have appointed a Development Manager, as fundraiser to support this initiative as priority.

The Trustees acknowledge there is some uncertainty surrounding the fundraising targets, however, these have been subjected to sensitivity analysis which takes a prudent view. The resulting forecasts and cash flow

2. Accounting policies (continued)

2.2 Going concern (continued)

referred to above show the facilities to be sufficient and therefore, the Trustees believe that it is appropriate to prepare the accounts on a going concern basis.

The financial statements do not include the adjustments that might be required should this not be the case.

2.3 Income

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the company, can be reliably measured.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the company's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

The Coronavirus Job Retention Scheme income is recognised in the period in which it relates on an accruals basis.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is expenditure incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The company 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 company 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.

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Fixtures and fittings	- 25% reducing balance or 5 years straight line
Cromford Wheatcroft	- 25% reducing balance

Included in fixtures and fittings is a picture held at its original cost of £2,500. This asset has not been depreciated because it is of the opinion of the Trustees that the asset is not impaired by the passage of time and in consequence any element of depreciation would be immaterial.

Freehold and long leasehold buildings and heritage assets are held at valuation. Depreciation is provided in order to write off the value of the properties to their residual value over their useful lives. The residual value is the amount that the charity would currently obtain from disposal of an asset, after deducting the estimated costs of disposal. The current residual values are equal to the net book value so that any element of depreciation would be immaterial. Therefore no depreciation is being provided on the properties held at valuation. The Trustees carry out annual impairment reviews to ensure the carrying value of the freehold property remains appropriate in comparison with residual value.

2.8 Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation. Assets are subsequently stated at valuation less accumulated impairment losses.

Acquisitions only arise when donated to the charity or if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geographical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public with prior agreement. Heritage assets are to be held for the foreseeable future.

One heritage asset had previously been held under the historical cost model however, during 2021 an indicator of impairment existed which led to a full valuation of the asset being carried out by David Brown Commercial professional valuers on 31 March 2021. The valuation of the asset, based on future rental yield, was £1,622,413. In the opinion of Trustees, the value of the asset has not changed since this valuation as there has been no significant capital improvements made to the asset, it has been maintained in a good state of repair and rental income achieved on the asset has not significantly changed in value. A prior year adjustment has therefore been applied to reverse the depreciation charged on the asset in the year ended 31 March 2022. Further details regarding the impact of the prior year adjustment can be found in note 25.

2. Accounting policies (continued)

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'gains/(losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

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

2.13 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.14 Financial instruments

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

2. Accounting policies (continued)

2.15 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the parent charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the parent charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2.17 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Redundancy benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The charitable company recognises redundancy benefits when it is committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Freehold and long leasehold buildings and heritage assets are held at valuation. The valuations are carried out on a periodic basis by an independent qualified valuer.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations and gifts received	23,325	21,591	44,916	17,254
Grants receivable	-	199,184	199,184	37,290
	<u>23,325</u>	<u>220,775</u>	<u>244,100</u>	<u>54,544</u>
Total 2022	<u><u>53,602</u></u>	<u><u>942</u></u>	<u><u>54,544</u></u>	

5. Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Property services	374,239	15,000	389,239	390,029
Visitor services	74,469	14,589	89,058	129,325
Education and tours	55,965	5,717	61,682	43,368
Total 2023	<u>504,673</u>	<u>35,306</u>	<u>539,979</u>	<u>562,722</u>
Total 2022	<u><u>426,885</u></u>	<u><u>135,837</u></u>	<u><u>562,722</u></u>	

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Fundraising events	7,391	7,391	6,260
Cromford Mill Limited sales	643,376	643,376	598,697
	<u>650,767</u>	<u>650,767</u>	<u>604,957</u>
Total 2022	<u>604,957</u>	<u>604,957</u>	

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest receivable	1,035	1,035	15
Total 2022	<u>15</u>	<u>15</u>	

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Other income

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Car park income	65,544	-	65,544	57,941
Insurance claims	500	-	500	-
Other government covid support	-	-	-	261,929
CJRS income	-	-	-	1,458
	<u>66,044</u>	<u>-</u>	<u>66,044</u>	<u>321,328</u>
Total 2022	<u>59,927</u>	<u>261,401</u>	<u>321,328</u>	

9. Expenditure on raising funds

Direct costs

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Cromford Mill Limited- other costs	277,207	277,207	244,435
Cromford Mill Limited- wages and salaries	283,457	283,457	226,978
Cromford Mill Limited- NI	15,763	15,763	11,497
Cromford Mill Limited - pension costs	5,418	5,418	4,182
	<u>581,845</u>	<u>581,845</u>	<u>487,092</u>
Total 2022	<u>487,092</u>	<u>487,092</u>	

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	As restated Total 2022 £
Visitors services	350,970	29,357	380,327	259,129
Property services	378,772	137,225	515,997	412,311
Heritage site management	227,413	3,161	230,574	303,578
Building 17	132,405	4,868	137,273	118,989
Governance (note 13)	22,983	-	22,983	17,610
	<u>1,112,543</u>	<u>174,611</u>	<u>1,287,154</u>	<u>1,111,617</u>
Total 2022 (as restated)	<u>844,880</u>	<u>266,737</u>	<u>1,111,617</u>	

11. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Visitors services	349,765	30,562	380,327	259,129
Property services	411,870	104,127	515,997	412,311
Heritage site management	107,966	122,608	230,574	303,578
Building 17	137,273	-	137,273	118,989
Governance (note 13)	-	22,983	22,983	17,610
	<u>1,006,874</u>	<u>280,280</u>	<u>1,287,154</u>	<u>1,111,617</u>
Total 2022 (as restated)	<u>903,335</u>	<u>208,282</u>	<u>1,111,617</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	245,217	181,802
Payroll and bookkeeping fees	12,080	8,870
Governance costs (note 13)	22,983	17,610
	<u>280,280</u>	<u>208,282</u>

Support costs are allocated based on a % of time spent.

12. Net income/(expenditure)

This is stated after charging:

	2023 £	As restated 2022 £
(Profit)/loss on disposal of tangible fixed assets	-	34
Depreciation of tangible fixed assets owned by the group	30,317	59,781
	<u>30,317</u>	<u>59,781</u>

13. Governance costs

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Audit and accountancy fees	22,983	22,983	17,610
	<u>22,983</u>	<u>22,983</u>	<u>17,610</u>
Total 2022	17,610	17,610	
	<u>17,610</u>	<u>17,610</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. Auditor's remuneration

	2023	2022
	£	£
Fees payable to the group's auditor for the audit of the annual accounts	17,720	17,480
Fees payable to the group's auditor in respect of:		
All non-audit services not included above	5,250	580
	<u><u> </u></u>	<u><u> </u></u>

15. Staff costs

	Group	Group	Company	Company
	2023	2022	2023	2022
	£	£	£	£
Wages and salaries	789,410	645,021	505,953	418,043
Social security costs	53,961	41,696	38,198	30,199
Contribution to defined contribution pension schemes	19,616	14,187	14,198	10,005
	<u><u>862,987</u></u>	<u><u>700,904</u></u>	<u><u>558,349</u></u>	<u><u>458,247</u></u>

The average number of persons employed by the group during the year was as follows:

	Group	Group
	2023	2022
	No.	No.
Tourism and visitor services	10	8
Site maintenance	5	6
Catering and retail	21	26
Administration and support	10	7
	<u><u>46</u></u>	<u><u>47</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

15. Staff costs (continued)

The average headcount expressed as full-time equivalents was:

	Group 2023 No.	Group 2022 No.
Tourism and visitor services	9	5
Site maintenance	4	5
Catering and retail	14	13
Administration and support	7	6
	<hr/> 34 <hr/>	<hr/> 29 <hr/>

No employee received remuneration amounting to more than £60,000 in either year.

The total amount of employee benefits received by key management personnel including Employers National Insurance and Pension Contributions is £206,143 (2022: £179,078). The Trustees considers its key management personnel comprise the Chief Executive Officer, Chief Finance Officer, Operations Director, Head of Catering and Head of Engagement.

16. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. Tangible fixed assets

Group

	Freehold property valuation £	Leasehold property valuation £	Cromford Wheatcroft cost £	Fixtures and fittings cost £	Total £
<i>Cost or valuation</i>					
At 1 April 2022	393,000	385,000	153,496	210,826	1,142,322
Additions	-	-	-	23,161	23,161
At 31 March 2023	<u>393,000</u>	<u>385,000</u>	<u>153,496</u>	<u>233,987</u>	<u>1,165,483</u>
<i>Depreciation</i>					
At 1 April 2022	-	-	51,829	133,309	185,138
Charge for the year	-	-	7,674	22,643	30,317
At 31 March 2023	<u>-</u>	<u>-</u>	<u>59,503</u>	<u>155,952</u>	<u>215,455</u>
<i>Net book value</i>					
At 31 March 2023	<u>393,000</u>	<u>385,000</u>	<u>93,993</u>	<u>78,035</u>	<u>950,028</u>
At 31 March 2022	<u>393,000</u>	<u>385,000</u>	<u>101,667</u>	<u>77,517</u>	<u>957,184</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. Tangible fixed assets (continued)

Company

	Freehold property valuation £	Leasehold property valuation £	Fixtures and fittings cost £	Total £
Cost or valuation				
At 1 April 2022	393,000	385,000	193,506	971,506
Additions	-	-	18,926	18,926
At 31 March 2023	<u>393,000</u>	<u>385,000</u>	<u>212,432</u>	<u>990,432</u>
Depreciation				
At 1 April 2022	-	-	123,973	123,973
Charge for the year	-	-	19,915	19,915
At 31 March 2023	-	-	<u>143,888</u>	<u>143,888</u>
Net book value				
At 31 March 2023	<u>393,000</u>	<u>385,000</u>	<u>68,544</u>	<u>846,544</u>
At 31 March 2022	<u>393,000</u>	<u>385,000</u>	<u>69,533</u>	<u>847,533</u>

The group has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	Group 2023 £	Group 2022 £
Freehold property	135,500	135,500
Long-term leasehold property	197,599	197,599
	<u>333,099</u>	<u>333,099</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Tangible fixed assets (continued)

Freehold property consists of Grace Cottage, Cromford Lock Up, Woodlands at Slinger, Lumsdale Valley, Dunsley Meadows and the car park.

Leasehold property consists of Cromford Wharf and Cromford Station. The freehold and leasehold properties were revalued on 13 July 2021 and the financial statements have been updated to reflect this valuation. The valuation was carried out externally and independently by David Brown BSc MRICS RICS. In the Trustees opinion this valuation reflects the values as at 31 March 2023.

18. Heritage assets

Group and Company

Assets held at valuation

	Building 17	Cromford Mill	Total
	2023	2023	2023
	£	£	£
Carrying value at 1 April 2022 (as restated)	1,622,414	2,302,750	3,925,164
Carrying value at 31 March 2023	<u>1,622,414</u>	<u>2,302,750</u>	<u>3,925,164</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

18. Heritage assets (continued)

Analysis of heritage asset transactions

Group and Company

	2023	as restated 2022	2021	2020	2019
	£	£	£	£	£
Purchases					
Heritage assets - at cost	-	-	-	-	1,392
Total additions	-	-	-	-	1,392
Charge for depreciation/ impairment					
Depreciation - heritage assets at cost (as restated)	-	-	(88,241)	(88,243)	(88,298)
Impairment - heritage assets at cost	-	-	(2,349,197)	-	-
Total charge for impairment	-	-	(2,437,438)	(88,243)	(88,298)

Heritage assets comprise the industrial buildings at Cromford Mill including Building 17 which has undergone a substantial renovation completed during 2016. The oldest buildings date back to the second half of the 18th century.

The heritage assets were revalued on 13 July 2021 and the financial statements have been updated to reflect this valuation. The valuation was carried out externally and independently by David Brown BSc MRICS RICS. In the Trustees opinion this valuation reflects the values as at 31 March 2023.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

19. Fixed asset investments

<i>Company</i>	Investments in subsidiary companies £
<i>Cost or valuation</i>	
At 1 April 2022	2
At 31 March 2023	2
<i>Net book value</i>	
At 31 March 2023	2
At 31 March 2022	2

The investment comprises 100% of the share capital of Cromford Mill Limited, the charity's trading subsidiary. The results of that company are disclosed in note 35.

Transactions during the year with the subsidiary are disclosed in note 34.

20. Stocks

	Group 2023 £	Group 2022 £
Finished goods and goods for resale	21,228	14,048

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NOTES TO THE FINANCIAL STATEMENTS
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21. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	62,228	17,827	62,228	17,827
Amounts owed by group undertakings	-	-	-	24,402
Other debtors	432	249	289	249
Prepayments and accrued income	54,622	49,802	48,488	49,197
	<u>117,282</u>	<u>67,878</u>	<u>111,005</u>	<u>91,675</u>

22. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	76,143	93,119	46,819	65,620
Architectural Heritage Fund loan	12,743	19,830	12,743	19,830
Trade creditors	233,249	154,859	203,670	129,655
Amounts owed to group undertakings	-	-	810	-
Corporation tax	-	3,562	-	-
Other taxation and social security	42,653	31,790	23,775	20,051
Other creditors	54,748	68,264	51,150	64,576
Accruals and deferred income	118,988	65,721	99,767	41,438
	<u>538,524</u>	<u>437,145</u>	<u>438,734</u>	<u>341,170</u>

Deferred income represents market income received in advance for market stalls and room hire during 2023/24.

	Group 2023 £	Group 2022 £
Deferred income		
Deferred income at 1 April 2022	4,024	-
Resources deferred during the year	6,107	4,024
Amounts released from previous periods	(4,024)	-
	<u>6,107</u>	<u>4,024</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

23. Creditors: Amounts falling due after more than one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	465,259	521,397	431,278	458,091
Architectural Heritage Fund loan re Building 17	448,508	459,150	448,508	459,150
	913,767	980,547	879,786	917,241

Bank loans and overdrafts totalling £541,402 (2022: £614,516) are secured on assets of the charity as follows:-

- A 1st legal charge over commercial freehold property known as Old Trout Farm (Excl No 10), Cromford Mill, Cromford Matlock, Derbyshire dated 23/11/1988.
- A 1st legal charge over commercial freehold property known as Cromford Colour Mills, Cromford, Derbyshire - dated 18/11/1988.
- A 1st legal charge over residential property known as Grace Cottage, Station Rd, Cromford, Matlock, Derbyshire dated 16/02/2018.
- A 1st legal charge over commercial freehold property known as 10 Cromford Mill, Mill Road, Cromford, dated 16/02/2018.
- A 2nd legal charge over commercial freehold property known as 10 The Old Trout Farm, Cromford Mill, Cromford, Matlock, Derbyshire dated 19/10/1994.
- A 2nd legal charge over commercial freehold property known as Cromford Colour Mills, Cromford, Derbyshire dated 18/11/1988.
- A 2nd legal charge over commercial freehold property known as 10 Cromford Mill, Mill Road, Cromford, dated 19/10/1994.
- A 2nd legal charge over residential property known as Grace Cottage, Station Rd, Cromford, Matlock, Derbyshire dated 28/05/1999.
- An unlimited debenture dated 19/12/2001 incorporating a fixed and floating charges over the assets of the society.
- An unlimited debenture dated 16/02/2018 incorporating a fixed and floating charges over the assets of the society.

The bank loan of Cromford Mill Limited is secured on the fixed and floating assets of the company and subject to interest at a rate of 6.5% per annum. The loan is due to be repaid in full by May 2025. The Arkwright Society is guarantor for the loan.

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FOR THE YEAR ENDED 31 MARCH 2023

24. Accruals and deferred income

	Group 2023 £	Group 2022 £
Grants	<u>24,698</u>	<u>26,921</u>

Deferred income represents government grants in respect of the renovation of leasehold property in Cromford Mill Limited and is being released in line with the depreciation policy of the leasehold property.

25. Prior year adjustments

The comparative figures have been restated to reverse depreciation charged on a heritage asset which is now held at valuation, based on a valuation as at 31 March 2021. More details on this can be found in note 2.8. The impact on the consolidated balance sheet as at 31 March 2022 is to increase the value of heritage assets, net assets and restricted fund balances by £36,054. The impact on the statement of financial activities is to reduce restricted expenditure in the prior year by £36,054.

26. Statement of funds

Statement of funds - current year

	As restated Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
General Funds - charity	1,924,630	598,391	(1,063,393)	66,149	1,525,777
General Funds - subsidiary	57,631	647,453	(630,995)	(57,653)	16,436
	<u>1,982,261</u>	<u>1,245,844</u>	<u>(1,694,388)</u>	<u>8,496</u>	<u>1,542,213</u>

Restricted funds

Building 17 development & project fund	1,956,140	15,000	(4,868)	-	1,966,272
Lumsdale project	3,466	2,643	(1,214)	50	4,945
Cromford Station	139,438	-	-	-	139,438
Dunsley Meadows	57,135	628	(796)	-	56,967
Slinter Woodlands	30,000	-	-	-	30,000
Cromford hydro scheme	(8,115)	179,184	(99,008)	7,521	79,582
Sundry projects	2,554	-	(102)	(1,228)	1,224

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

26. Statement of funds (continued)

Statement of funds - current year (continued)

	As restated Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
D of D DDCT Grant	-	20,000	-	-	20,000
Arkwright's books and artefacts	4,008	-	-	-	4,008
Slinter Woodland project	2,252	-	-	-	2,252
Guide resources fund	1,709	-	-	-	1,709
Education materials	3,064	-	(1,019)	-	2,045
Resilience fund	13,278	18,320	(16,759)	(14,839)	-
DV Tours Project	4,835	16,581	(4,520)	-	16,896
Cromford Mill goes Digital!	620	-	-	-	620
NLHF Emergency Grants	13,320	-	(7,942)	-	5,378
Meeting Point	5,000	-	(4,619)	-	381
DE-Carbonise Grant	18,631	-	(3,074)	-	15,557
B18 project development	24,940	-	(29,440)	-	(4,500)
Reset & Recovery Grant Fund	-	3,725	(1,250)	-	2,475
	2,272,275	256,081	(174,611)	(8,496)	2,345,249
Total of funds	4,254,536	1,501,925	(1,868,999)	-	3,887,462

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	As restated Expenditure £	Transfers in/out £	As restated Balance at 31 March 2022 £
Unrestricted funds					
General Funds - charity	1,855,500	476,606	(731,936)	324,460	1,924,630
General Funds - subsidiary	(7,440)	668,780	(603,709)	-	57,631
	1,848,060	1,145,386	(1,335,645)	324,460	1,982,261

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NOTES TO THE FINANCIAL STATEMENTS
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26. Statement of funds (continued)

Restricted funds

Building 17 development & project fund	1,994,421	-	(38,281)	-	1,956,140
Lumsdale project	2,579	1,816	(3,829)	2,900	3,466
Cromford Station	139,438	-	-	-	139,438
Dunsley Meadows	56,571	564	-	-	57,135
Slinter Woodlands	30,000	-	-	-	30,000
Cromford hydro scheme	1,272	17,742	(27,129)	-	(8,115)
Sundry projects	1,554	100	(5)	-	1,649
Srutt Film (Aim Biffa)	(12,651)	62,194	(48,638)	-	905
Arkwright's books and artefacts	4,008	-	-	-	4,008
Slinter Woodland project	2,252	-	-	-	2,252
Guide resources fund	1,731	-	(22)	-	1,709
Education materials	3,554	-	(490)	-	3,064
Resilience fund	35,700	-	(7,145)	(15,277)	13,278
DV Tours Project	11,582	364	(7,111)	-	4,835
Cromford Mill goes Digital!	26,225	2,173	(27,778)	-	620
NLHF Emergency Grants	161,717	261,401	(86,259)	(323,539)	13,320
Meeting Point	12,000	-	(7,000)	-	5,000
DE-Carbonise Grant	(6,661)	24,886	(11,050)	11,456	18,631
B18 project development	-	26,940	(2,000)	-	24,940
	<u>2,465,292</u>	<u>398,180</u>	<u>(266,737)</u>	<u>(324,460)</u>	<u>2,272,275</u>
Total of funds	<u><u>4,313,352</u></u>	<u><u>1,543,566</u></u>	<u><u>(1,602,382)</u></u>	<u><u>-</u></u>	<u><u>4,254,536</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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26. Statement of funds (continued)

The restricted funds represent monies donated or raised for a specific project of the charity. The purposes of the main restricted funds are given below.

The Building 17 development & project fund aims to develop a World Heritage Site and Gateway.

The Lumsdale project funds are for the continued preservation and archaeological works in Lumsdale.

Cromford Station is now completely refurbished and tenants in situ.

The Dunsley Meadows fund is for the acquisition and management of Dunsley Meadows, an ancient hay meadow local Nature Reserve.

Slinter Woodlands of £30,000 remains following the sale of Slinter Cottage.

The Cromford Hydro Scheme aims to explore the possibility of renewable energy at the site by the installation of technology in order to generate hydro-electricity.

The D of DDCT Grant Fund - The Commissioning of a Strategic and Sustainable Business Plan and Masterplan for Cromford Mill.

The Arkwright's books and artefacts fund is an asset fund representing grants awarded to purchase Arkwright related purchases for display.

The Slinter Woodland project fund represents the funds obtained and expended in the continued management of the Slinter Woodland site as a 'Site of Specific Interest' SSSI.

The Guide Resources fund represents donations awarded to volunteer tour guides which can be spent to enhance tour guide knowledge and experience.

The Education materials fund is primarily income awarded under the Sandford Fund which can be used to promote the Educational offer at Cromford.

The resilience fund aims to support the development of the World Heritage site.

The DV Tours project represents funding received from Derbyshire County Council's Great Place scheme for an entrepreneurial venture with Belper North Mill Trust to provide guided tours of the Derwent Valley, focussing on the Derwent Valley Mills World Heritage Site and other nearby visitor attractions.

Cromford Mills goes Digital! is a COVID19 response project awarded by Historic England helping to create a greater digital presence both online and on site.

The NLHF Emergency grants were awarded by National Lottery Heritage Fund who were administering funds under the Heritage Emergency Fund and subsequently under Culture Recovery Fund for Heritage.

The Meeting Point programme will lead to the commissioning of an artist project at Cromford Mills, awarded by Arts & Heritage.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

26. Statement of funds (continued)

The DE-Carbonise Grant provides assistance to reduce carbon emissions through upgrading lighting in the Cromford Creative building and also replacing 4 non-condensing gas boilers with 2 condensing boilers, thus updating the heating systems in 3 of the buildings.

The B18 project development grant represents funds awarded by Historic England as a repair grant for Heritage at Risk.

The Reset & Recovery Grant Fund - promoting income growth with greater engagement.

There is one restricted fund currently in a deficit position due to funding being claimed in arrears.

A transfer was made during the year to reflect unrestricted core costs being funded by restricted monies received inline with the approved project costs from the funder. A transfer was also made after a review of sundry restricted funds.

27. Summary of funds

Summary of funds - current year

	As restated Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
General funds	1,982,261	1,245,844	(1,694,388)	8,496	1,542,213
Restricted funds	2,272,275	256,081	(174,611)	(8,496)	2,345,249
	<u>4,254,536</u>	<u>1,501,925</u>	<u>(1,868,999)</u>	<u>-</u>	<u>3,887,462</u>

Summary of funds - prior year

	Balance at 1 April 2021 £	Income £	As restated Expenditure £	Transfers in/out £	As restated Balance at 31 March 2022 £
General funds	1,848,060	1,145,386	(1,335,645)	324,460	1,982,261
Restricted funds	2,465,292	398,180	(266,737)	(324,460)	2,272,275
	<u>4,313,352</u>	<u>1,543,566</u>	<u>(1,602,382)</u>	<u>-</u>	<u>4,254,536</u>

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NOTES TO THE FINANCIAL STATEMENTS
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28. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	747,961	202,067	950,028
Heritage assets	2,302,750	1,622,414	3,925,164
Current assets	(31,509)	520,768	489,259
Creditors due within one year	(538,524)	-	(538,524)
Creditors due in more than one year	(913,767)	-	(913,767)
Provisions for liabilities and charges	(24,698)	-	(24,698)
Total	1,542,213	2,345,249	3,887,462

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	As restated Restricted funds 2022 £	As restated Total funds 2022 £
Tangible fixed assets	751,917	205,267	957,184
Heritage assets	2,302,750	1,622,414	3,925,164
Current assets	372,207	444,594	816,801
Creditors due within one year	(437,145)	-	(437,145)
Creditors due in more than one year	(980,547)	-	(980,547)
Provisions for liabilities and charges	(26,921)	-	(26,921)
Total As restated	1,982,261	2,272,275	4,254,536

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NOTES TO THE FINANCIAL STATEMENTS
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29. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	Group As restated 2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(367,074)	(58,816)
Adjustments for:		
Depreciation charges	30,317	59,781
Amortisation of government grant	(2,223)	(2,223)
Interest paid	12,982	48,573
Loss on the sale of fixed assets	-	34
(Increase)/decrease in stocks	(7,180)	13,940
Increase in debtors	(49,404)	(13,928)
Increase in creditors	129,004	29,202
Taxation charged	-	3,562
Net cash (used in)/provided by operating activities	(253,578)	80,125

30. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand	350,749	734,875
Total cash and cash equivalents	350,749	734,875

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

31. Analysis of changes in net debt

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	734,875	(384,126)	350,749
Debt due within 1 year	(112,949)	24,063	(88,886)
Debt due after 1 year	(980,547)	66,780	(913,767)
	<u>(358,621)</u>	<u>(293,283)</u>	<u>(651,904)</u>

32. Contingent liabilities

The charity has a possible obligation to repair and reinstate an aqueduct which was formally part of the Cromford Mill site. Derbyshire County Council (DCC) are unable to agree with Derbyshire Dales District Council (DDDC) and statutory consultees including Historic England (HE) on the height at which the aqueduct should be reinstated. The liability has been estimated at £295,000 and is contingent on an agreement being reached relevant parties and securing statutory consents at some point in the future.

33. Operating lease commitments

At 31 March 2023 the Group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023	Group 2022	Company 2023	Company 2022
	£	£	£	£
Not later than 1 year	34,583	37,973	6,583	9,973
Later than 1 year and not later than 5 years	12,106	18,915	12,106	18,915
Later than 5 years	19,687	19,894	19,687	19,894
	<u>66,376</u>	<u>76,782</u>	<u>38,376</u>	<u>48,782</u>

Lease payments recognised as an expense in the statement of financial activities were £37,973 (2022: £37,505).

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

34. Related party transactions

During 2013 the Duke of Devonshire, the President of the charity, made a loan to the charity of £35,000, £10,000 remained payable as at 31 March 2023 and 2022. The loan is interest free.

The company has a wholly owned subsidiary, Cromford Mill Limited, as detailed in note 35.

During the year, The Arkwright Society Limited charged the subsidiary rent and service charges of £nil (2022: £28,000) management and administration fees of £nil (2022: £57,600) and loan interest of £nil (2022: £647). During the year the subsidiary made sales of £1,854 (2022: £66,387) to The Arkwright Society Limited and purchases from The Arkwright Society Limited of £40,216 (2022: £18,816).

At 31 March 2023, the subsidiary was owed £810 by The Arkwright Society Limited (2022: £24,402 debtor). Included within this balance in the prior year is a loan repayable on demand, with interest calculated at bank base rate plus 2%, secured on the stock held by Cromford Mill Limited. This loan was repaid during the current year.

35. Principal subsidiaries

The following was a subsidiary undertaking of the company:

Name	Company number	Class of shares	Holding
Cromford Mill Limited	02913429	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
Cromford Mill Limited	647,453	(630,995)	16,458	16,438

THE ARKWRIGHT SOCIETY LIMITED

England & Wales - Charity number 515526

Accounts

Registered number: 01630237
Charity number: 515526

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

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THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021

Trustees D H Williams, Chair (resigned 31 August 2021)
J Rivers, Chair (appointed 4 September 2021)
H M Redmond (resigned 10 September 2021)
Dr S Rawlinson (resigned 31 August 2021)
M Atkinson
G Pickup
G Lewins
Dr R Gaunt
W J Tracey
E E Pope (resigned 13 September 2021)
H Bishop (appointed 20 October 2021)
A Rawlings (appointed 20 October 2021)

Company registered number 01630237

Charity registered number 515526

Registered office Cromford Mill
Cromford
Matlock
Derbyshire
DE4 3RQ

Chief Executive Officer Simon Wallwork

President The Duke of Devonshire KCVO CBE DL

Independent auditor BHP LLP
Chartered Accountants
2 Rutland Park
Sheffield
South Yorkshire
S10 2PD

Bankers Lloyds TSB plc
Compton
Ashbourne
Derbyshire
DE6 1DY

Solicitors Geldards LLP
Number One Price Place
Pride Park
Derby
DE24 8QR

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Architect	James Boon Architects Cromford Creative Cromford Mills Mill Lane Derbyshire DE4 3RQ
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THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

The chairman presents his statement for the year.

The 2020/21 year has been one which we entered with great trepidation and yet emerge from with a sense of positivity and hope of better things to come.

The year has seen continued support from management, staff, trustees, volunteers, friends and funders, and with this encouragement and co-operation, The Arkwright Society has moved forward positively during the year. It has adapted and evolved as needed, to make the best of challenging times and emerged stronger for it.

The grant support received from the Department of Culture, Media & Sport, National Lottery Heritage Fund, Historic England, Derbyshire County Council, Derbyshire Dales District Council, Duke of Devonshire Charitable Trust and other donors, has meant that The Arkwright Society has been able to implement new and exciting projects which will help to positively contribute to the economic resilience of the Society going forward.

The flexibility and support of our bankers and funders Lloyds Bank, Architectural Heritage Fund and Charity Bank has also been significant in helping us to survive and emerge stronger from the challenges of the past 18 months.

The grant support received reflects positively on the income line and is highlighted in the significant growth in total income from £1.4m in 2019/20 to £1.9m in 2020/21. Whilst trading and income from charitable activities inevitably fell, due to the Cromford Mill site being closed for large periods of the financial year, the fact that many operational costs were under-written by grant support, has meant that group total income rose by £576k in the year.

Following the conclusion of the Building 17 project a revaluation was completed, resulting in a write down reflecting the heritage debt of the project. This is shown in the Impairment of heritage assets but offset by income growth and gains on the revaluation of other heritage and tangible assets.

In my final year as chair of the Arkwright Society, it is rewarding to be able to hand over the baton of this unique and innovative organisation, knowing we have weathered the worst of the storm and can hopefully look forward to better times which will help us thrive in the years to come.

I would like to thank all those who have supported the organisation over the past 9 years of my involvement as a trustee and Chair, and look forward to seeing the Society continue to evolve and move forward in the future under the guidance of Mr John Rivers who takes over the Chair role from September 2021.

David Williams
Date: 31 August 2021

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the group for the year ended 31 March 2021. The Trustees' report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Trustees' report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

The Society has adopted the following mission statement in respect of its work on the Cromford Mills site much of which applies to the Society's work in general:

The Arkwright Society is committed to the regeneration of the Cromford Mills site and to the reuse of the buildings in ways that will provide them with a sustainable future, and which offers year-round employment that will contribute positively to the local economy. At the same time, the Society is aware of the international significance of the historic buildings in its care and in dealing with them is conscious of its obligation to use the highest standards of repair and conservation practice. The Society acknowledges that monuments of such universal importance, inscribed by UNESCO, attract widespread interest which those who enjoy the stewardship of such heritage must respect, by providing interpretation of the highest quality and extensive public access.

The Society also has educational, social and environmental agendas, which commit it to the provision of educational engagement; training; work experience; exploring green energy initiatives, the recycling of materials and a sustainable transport policy. These aspirations will inform the delivery of its conservation and educational programmes.

b. Activities undertaken to achieve objectives

The Society delivers its charitable objects through a range of activities many of which are long established. Its principal educational provision is made through the annual programme of lectures and visits and by participation in the national Heritage Open Days Programme and, locally, in the Derwent Valley Mills World Heritage Site Partnership Discovery Days. Throughout the year, tours of the Cromford Mills are provided for visitors and booked parties and each of the Society's projects offers its own educational service.

Objectives and activities (continued)

c. Volunteers

Volunteering is open to all and volunteers can work on a wide range of activities and in addition provide professional advice and guidance at various levels of the Society.

- The Head of Heritage, in consultation with other staff, will identify volunteering opportunities and define those roles through role profiles.
- Some volunteers will work over a period of time whilst others will contribute on a one-off basis.

The Arkwright Society's volunteer policy is to

- Ensure that volunteers feel valued.
- Establish an active management system to enable volunteers to feel like an effective member of the team.
- Ensure all volunteers know who their point of contact is and where they sit in the organisational structure.
- Ensure effective, regular two-way communication with all volunteers so that all staff and volunteers work positively together and, where appropriate, actively seek to involve each other in their work.
- Effectively match the needs of the organisation with the skills, experience, and knowledge of the volunteer.
- Have an up-to-date business plan for volunteers to implement this policy.
- Foster a friendly and supportive atmosphere aiming to make volunteering a fun and pleasant experience of mutual gain.

d. Main activities undertaken to further the company's purposes for the public benefit

The Trustees confirm that they have given careful consideration to the Charity Commission's general guidance on public benefit.

The public benefits derived from the Society's activities include:

- The advancement of education and specifically the provision of guided tours for the site and village, as well as adult and school parties throughout the year. The provision through retail outlets of specialist texts relating to industrial heritage and local history literature, the development of archive material to assist educational research, the provision of programmes of lectures, visits, and events on and to sites of historical interest; the provision of an annual Industrial Heritage conference with prestigious experts providing talks open to all.
- The advancement of arts, heritage, and culture specifically the Society's commitment to the regeneration of the Cromford Mills site and to the reuse of buildings in ways which will provide them with a sustainable future; public access to the Society's main sites for their enjoyment of these sites; membership of and support of the Derwent Valley Mills World Heritage Site Partnership and its attendant committees on which the Society is represented; the Society's membership and promotion of the European Route of Industrial Heritage for which Cromford Mill is a designated anchor point; participation in the Heritage Open Days programme and locally in the Derwent Valley Mills Discovery Weeks, and delivery of an extensive annual events programme promoting arts, culture and heritage.
- The advancement, protection and improvement of the natural environment specifically the acquisition, management and regeneration of Dunsley Meadows designated as Derbyshire Dales first Local Nature Reserve, the management of Slinger Woods an established Site of Specific Interest (SSSI) designated by English Nature (now Natural England) and a Special Area of Conservation (SAC) designated by the European Union, maintenance and management of Lumsdale, a bequest to the Society and a valley of outstanding natural beauty and industrial heritage interest on the north side of Matlock.

THE ARKWRIGHT SOCIETY LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Strategic report

Achievements and performance

a. Key performance indicators

Notes 4 to 8 detail income which totals £1,929k (2020: £1,354k). Within these:

- Income from other trading activities decreased by £330k to £262k (2020: £592k).
- Income from charitable activities decreased by £87k to £417k (2020: £504k).
- Other incoming resources totalled £1,217k (2020: £80k) reflecting government grants received during the year.
- Income from donations and legacies decreased by £145k to £32k (2020: £177k)

Notes 9 and 10 detail costs of raising funds and charitable activities which total £1,433k (2020: £1,534k). Within these:

- Governance costs total £15,255 (2020: £14,815).

There was an exceptional item this year for the impairment of the heritage asset B17, this totalled £2,349k.

Total expenditure for the year totalled £3,782k, an increase of £2,248k over the previous year's total expenditure of £1,534k.

Other recognised gains included a revaluation gain totalling £1,215k.

The overall result is a deficit of £637,518, represented by net income of £1,665k on unrestricted funds and net expenditure on restricted funds of £2,302k.

At the year-end reserves consisted of restricted funds of £2,465k (2020: £4,768k) and £1,848k (2020: £183k) in unrestricted funds, a total of £4,313k (2020: £4,951k).

Strategic report (continued)

Achievements and performance (continued)

b. Review of activities

The Arkwright Society continues to develop and progress with its objective of further development of the Cromford Mills site, bringing back in to use those buildings not currently fully utilised and so removing them from the Historic England's Buildings at Risk register.

The ongoing nature of the COVID pandemic has meant that a review and updating of the Masterplan is being undertaken to revise future strategy, to ensure the agreed objectives meet the needs of the charity. Grant funding secured through government and the Department of Culture, Media and Sport, with support from National Lottery Heritage Fund and Historic England, has enabled the Society to weather the worst of the pandemic and the loss of revenue and we now look forward to planning for 2021/22 with greater positivity.

Property & Site Operations

Demand for office and retail space continues to be encouraging despite the general economic uncertainty in the wider economy. Revenue has held firm with most business tenants managing to weather the COVID storm. There has been growth in demand for smaller self-contained offices and space has been adapted to accommodate tenant demand.

Additional support grants from the De-Carbonise Grant Fund and assistance from Vaillant Boilers has enabled the heating and lighting in key buildings to be upgraded. This work has improved the office facilities for tenants and should make significant savings in our monthly operating costs.

Heritage, Visitors & Volunteering

The admissions revenue has been adversely impacted by the lockdowns and lower visitor numbers were an inevitable consequence of the national lockdown periods over the year. Tours continued although with limited numbers and still proved popular despite the difficult trading environment.

A full re-opening of all visitor facilities will be reviewed as and when possible.

Education and Learning

The revenue from educational visits has fallen over the pandemic period. Schools have been unable to travel and therefore income severely impacted. However, there are encouraging signs of recovery and demand for school visits is starting to increase with bookings now being taken well in to 2022. Recent joint initiatives with the Derwent Valley Mills World Heritage site team have helped refresh and revitalise the educational offer and support from schools and initial bookings for the coming year have been positive.

Conferencing & Events

Despite the COVID restrictions, encouraging progress was made with the development and growth of the onsite markets during the year, which saw an increase of both stall holder uptake and visitor numbers. The increased footfall on the market weekends helped bolster revenue in the cafes and other retail outlets on site.

THE ARKWRIGHT SOCIETY LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Strategic report (continued)

Achievements and performance (continued)

In addition, we managed to host some outdoor theatre productions which saw good visitor numbers with ticket sales outperforming the previous year. The conferencing market was completely negated by the COVID virus and is expected to make a very slow and cautious recovery, with pre-COVID levels of activity unlikely until 2022/23.

Membership

Arkwright Society membership has remained constant and the support of the loyal base of members plus generous individual donations to help the Society through the pandemic, have been hugely helpful and supportive.

Cromford Mill Ltd

The Arkwright Society's trading arm was impacted adversely by the pandemic, the constraints on trading and the dramatic drop in visitor numbers.

Income fell in the cafes over the year, but the grant support helped underwrite operating costs. The new Counting House takeaway offer has worked well over the past year, serving those members of the public who were able to visit Cromford during the restrictions, and helped provide a revenue stream from catering despite the limitations in place. As restrictions have eased sales in the cafes and retail store have started to recover and are re-building far faster than expected.

c. Fundraising activities and income generation

Fundraising through its normal trading activities has been interrupted significantly this year due to the various COVID lockdown periods during the year. Whilst donations, legacies and charitable and trading activities have shown a fall compared to 2019/20 this has been offset by the significant support secured from COVID specific funding. This meant that total Income improved from £1.354m in 2020 to £1.929m.

Financial review

a. Going concern

The group's loss for the year of £637,518 consists of a profit on unrestricted funds of £1,664,903 and a loss on restricted funds of £2,302,421 however these numbers are significantly impacted by fixed asset revaluations being an impairment of £2,349,197 of Building 17 charged against restricted funds and a gain of £1,214,883 on other mill buildings and property in unrestricted funds.

These revaluation movements do not impact cash and therefore in considering going concern matters it is more appropriate to focus on profit/loss before valuations which would be a profit on unrestricted funds of £450,020 and a smaller profit on restricted funds of £46,776. These positive figures reflect the funding from DCMS Culture recovery fund, Heritage Lottery Fund, Historic England and Local and National Government support which has meant that despite the challenging trading conditions and extended closures driven by the pandemic the Society has the necessary financial measures in place to support it going forward. The group has also continued to be well supported by its lenders who agreed to capital repayment holidays during the pandemic. Capital repayments have now restarted.

The Trustees have prepared forecasts of income and expenditure and cash flow for a period of 12 months from approval of these financial statements which show that they will be able to operate within the facilities available to them. Therefore the Trustees believe that it is appropriate to prepare the accounts on a going concern basis.

THE ARKWRIGHT SOCIETY LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

The financial statements do not include the adjustments that might be required should this not be the case.

b. Reserves policy

The Trustees have considered the reserves held by the Arkwright Society as of 31 March 2021. The Society needs reserves to enable it to develop its long term aims as well as ensuring the continuation of current activities. It is the Trustees' ambition to hold free reserves in cash which will be sufficient to cover three months operating costs. In order to meet their responsibilities, the Trustees have reviewed the requirements and risks faced by the Society both in the short and medium term.

Total funds at the year-end stood at £4,313k (2020: £4,951k) of which £1,848k (2020: £183k) were unrestricted funds. The unrestricted reserves are £1,848k but as shown in the accounts the unrestricted reserves already invested in the tangible fixed assets are in excess of this figure. Accordingly, the free reserves of the charity, being those reserves available to the Trustees for future commitment can be seen to negative. Net current assets are £496,909 represented by restricted funds of £606,867 and therefore there are net current liabilities relating to unrestricted funds of £109,958. This recognises that the mill site was originally acquired with long term loans that are still being repaid. It is the Trustees long term aim to establish free reserves sufficient to enable a sustainable operation of the mill but until the restoration of the site is complete, that level cannot be quantified.

c. Principal risks and uncertainties

Trustees and management have reviewed potential risks and challenges the organisation could face in light of these challenging and uncertain times and produced an updated Risk assessment for the organisation.

Structure, governance and management

a. Constitution

The Arkwright Society Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The company and the group is constituted under a Memorandum of Association and is a registered charity number 515526.

b. Methods of appointment or election of Trustees

Trustees are appointed on the basis of an analysis of the current skills of the Board and the need to strengthen its ability to direct the affairs of the Trust, and the individual ability of any nominee to meet any perceived gap in skills and other qualities they may bring to the Trust.

On appointment, trustees will receive a substantial induction pack including information on their duties as directors of a charitable company.

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

At present the charity is managed by its Trustee body, the Board of Trustees. This body meets up to ten times each year and has up to 12 members. Within the Board of Trustees there are two sub committees: audit and remuneration that meet as required.

The trust has a number of Project Committees which manage the Lumsdale Project and the Resilient Heritage Project; working parties are established from time to time to deal with short term schemes.

In April 1994 the then Council of Management established a trading company, Cromford Mill Limited, and appointed Directors to manage it. These meet on a regular basis and from time to time report to the Board of Trustees.

d. Policies adopted for the induction and training of Trustees

The Charity recognises its responsibility to ensure all new Trustees are given a Trustee Induction pack prior to appointment and meet with the Chair and CEO to clarify the responsibilities undertaken as a Trustee. Trustees also attend available external training courses including those held by our auditor BHP to keep Trustees updated and aware of changes to legislation.

e. Pay policy for key management personnel

The board of directors of The Arkwright Society, who are the Society's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Society on a day to day basis.

All directors give their time freely and no director received remuneration in the year. Details of directors' expenses are disclosed in note 16 to the accounts.

The Terms and Conditions of the senior staff are reviewed annually, usually in March, by the Remuneration Committee wholly made up of Trustees. The Committee operates within the framework of the following principles:

- Ability to attract staff of the right calibre and experience
- Ability to retain such staff
- Affordability within the Society's financial resources

Salaries and conditions are considered in the context of the local market, having regard to the particular skills and knowledge required to manage a substantial building preservation trust in the charitable sector and in a commercial environment.

Whilst there is an annual review, there is no commitment to increase salaries or improve conditions, balancing affordability and the need to remain competitive.

Structure, governance and management (continued)

f. Financial risk management

The trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity and its subsidiary Cromford Mill Limited face;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

As in prior years this work has identified that financial sustainability is the major financial risk for both the charity and its subsidiary. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank, and active management of trade debtors and creditors balances, to ensure sufficient working capital by the Trust and its subsidiary company.

Attention has also been focussed on non-financial risks arising from fire, health and safety, and food hygiene. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular awareness training for staff working in these operational areas.

g. Internal control

The Trustees have overall responsibility for ensuring that the charity has an appropriate system of financial management and other necessary controls. They are also responsible for safeguarding the assets of the charity and to this end must ensure that reasonable steps are taken for the prevention and detection of fraud and any other irregularities.

The Trustees accept that it is their responsibility to ensure that proper records are maintained, and accurate financial information is collected and retained and that the charity complies with the relevant laws and regulations.

The charity's Trustees recognise that whatever system is in place must be seen as managing rather than eliminating the risk of failure to achieve the charity's objectives and can only provide reasonable rather than absolute reassurance in these matters.

Plans for future periods

Future developments

Despite the challenges faced over the last financial year, the senior team's determination in chasing down support and grant funding, has enabled The Arkwright Society to come through the worst of the pandemic.

With the necessary support funding having been secured, thanks to the positive response and unstinting support of many funders and individual donors, the management and Trustees are able to plan with certainty for the coming year.

The Building 1 project work was progressing with a Viability Study having been completed and a development grant secured to take the project to a position where talks with key funders had started. This development work had to be put on hold during 2020, while the focus became ensuring the organisation was able to survive the pandemic and support funding secured. The funding was successfully secured, and this income is reflected in the year end accounts.

The support funding has enabled jobs to be secured, new projects initiated, and key facilities improved to develop new income streams and improve existing ones, as the markets re-open and visitors return.

Information on fundraising practices

The charity raises funds through its commercial activities, donations, legacies and membership. Funds raised through these activities are allocated to general funds, unless specifically agreed with an individual or organisation.

Funding for specific projects may be sought via sponsorship, donations, local fundraising activities and events. The allocation and purpose of those funds is made clear to donors and funders at the time of contribution.

The Arkwright Society does not use external, professional fundraising organisations or individuals to raise funds on its behalf. It ensures no fundraising activities it undertakes will exploit vulnerable individuals or intrude into an organisations' or individuals' privacy.

The Trustees and management have received no complaints in relation to fundraising or expenditure of its funds and ensures the use of all funds is transparent and clearly allocated.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial. 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 Group and the company and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP 2019 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that Group and the company disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The auditor, BHP LLP, has indicated their willingness to continue in office. The Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

In approving the Trustees' Report, we also approve the Strategic Report included therein, in our capacity as company directors.

Approved by order of the members of the board of Trustees and signed on their behalf by:


J R Rivers (Oct 20, 2021 20:30 GMT+1)

J Rivers

Date: Oct 20, 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED

Opinion

We have audited the financial statements of The Arkwright Society Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows 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's and parent charitable company's affairs as at 31 March 2021 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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in note 2.2 in the financial statements, concerning the group and parent charitable company's ability to continue as a going concern. The group incurred a deficit of £637,518 during the year to 31 March 2021 and, at that date had negative free reserves of £109,958. These conditions, along with the other matters as set forth in the note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the group and parent charitable company were unable to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED (CONTINUED)

Other information

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 strategic report and 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 our knowledge and understanding of the group and 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 directors' report.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED (CONTINUED)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent 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 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 group's and parent charitable company'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 the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates, and considered the risk of such regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error.

We focussed on laws and regulations relevant to the charitable company which could give rise to a material misstatement in the financial statements. Our testing included discussions with management, directors and those staff with direct responsibility for the compliance of laws and regulations, agreeing financial statement disclosures to underlying supporting documentation, and reviewing legal expenses. There are inherent limitations in the audit procedures described and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

As part of our audit, we addressed the risk of management override of internal controls, including testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARKWRIGHT SOCIETY LIMITED (CONTINUED)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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 Chapter 3 of Part 16 of the Companies Act 2006. 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 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 company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Marshall (Oct 20, 2021 20:33 GMT+1)

Jane Marshall (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants

Statutory Auditors

2 Rutland Park

Sheffield

South Yorkshire

S10 2PD

Date: Oct 20, 2021

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	29,669	2,814	32,483	176,862
Charitable activities	5	345,412	71,873	417,285	504,275
Other trading activities	6	262,738	-	262,738	591,958
Investments	7	7	-	7	178
Other income	8	313,750	903,160	1,216,910	80,317
Total income		951,576	977,847	1,929,423	1,353,590
Expenditure on:					
Raising funds	9	399,933	-	399,933	572,814
Charitable activities	10	769,918	262,776	1,032,694	960,936
Impairment of heritage asset		-	2,349,197	2,349,197	-
Total expenditure		1,169,851	2,611,973	3,781,824	1,533,750
Net expenditure		(218,275)	(1,634,126)	(1,852,401)	(180,160)
Transfers between funds	25	668,295	(668,295)	-	-
Net movement in funds before other recognised gains		450,020	(2,302,421)	(1,852,401)	(180,160)
Other recognised gains:					
Gains on revaluation of fixed assets		1,214,883	-	1,214,883	-
Net movement in funds		1,664,903	(2,302,421)	(637,518)	(180,160)
Reconciliation of funds:					
Total funds brought forward		183,157	4,767,713	4,950,870	5,131,030
Net movement in funds		1,664,903	(2,302,421)	(637,518)	(180,160)
Total funds carried forward		1,848,060	2,465,292	4,313,352	4,950,870

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 01630237

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	17	998,558	757,567
Heritage assets	18	3,925,164	5,384,386
		<u>4,923,722</u>	<u>6,141,953</u>
Current assets			
Stocks	20	27,988	38,385
Debtors	21	53,950	48,914
Cash at bank and in hand		771,318	183,033
		<u>853,256</u>	<u>270,332</u>
Creditors: amounts falling due within one year	22	(356,347)	(263,813)
Net current assets		<u>496,909</u>	<u>6,519</u>
Total assets less current liabilities		<u>5,420,631</u>	<u>6,148,472</u>
Creditors: amounts falling due after more than one year	23	(1,078,135)	(1,166,236)
Accruals and deferred income		(29,144)	(31,366)
Total net assets		<u><u>4,313,352</u></u>	<u><u>4,950,870</u></u>
Charity funds			
Restricted funds (includes revaluation reserve of £24,901 (2020: £24,901))	25	2,465,292	4,767,713
Unrestricted funds (includes revaluation reserve of £2,007,750 (2020: £792,867))	25	1,848,060	183,157
Total funds		<u><u>4,313,352</u></u>	<u><u>4,950,870</u></u>

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

J R Rivers
J R Rivers (Oct 20, 2021 20:30 GMT+1)

J Rivers

Date: Oct 20, 2021

The notes on pages 24 to 54 form part of these financial statements.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 01630237

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	17	879,116	631,915
Heritage assets	18	3,925,164	5,384,386
Investments	19	2	2
		<u>4,804,282</u>	<u>6,016,303</u>
Current assets			
Debtors	21	54,849	48,459
Cash at bank and in hand		731,462	171,294
		<u>786,311</u>	<u>219,753</u>
Creditors: amounts falling due within one year	22	(260,926)	(219,739)
Net current (liabilities) / assets		<u>525,385</u>	<u>14</u>
Total assets less current liabilities		<u>5,329,667</u>	<u>6,016,317</u>
Creditors: amounts falling due after more than one year	23	(1,008,875)	(1,053,886)
Total net assets		<u><u>4,320,792</u></u>	<u><u>4,962,431</u></u>
Charity funds			
Restricted funds (includes revaluation reserve of £24,901 (2020: £24,901))	25	2,468,173	4,767,713
Unrestricted funds (includes revaluation reserve of £2,007,750 (2020: £792,867))	25	1,852,619	194,718
Total funds		<u><u>4,320,792</u></u>	<u><u>4,962,431</u></u>

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2021

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The income and expenditure account for the year dealt with in the accounts of the company was a deficit of £641,640 (2020: £181,216).

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


J R Rivers (Oct 20, 2021 20:30 GMT+1)

J Rivers

Date: Oct 20, 2021

The notes on pages 24 to 54 form part of these financial statements.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	28	737,544	16,910
Cash flows from investing activities			
Interest received		7	178
Proceeds from the sale of tangible fixed assets		-	40,187
Purchase of tangible fixed assets		(54,067)	(18,362)
Net cash (used in)/provided by investing activities		(54,060)	22,003
Cash flows from financing activities			
Repayments of borrowing		(23,187)	(23,391)
Interest paid		(42,092)	(44,024)
Net cash used in financing activities		(65,279)	(67,415)
Change in cash and cash equivalents in the year		618,205	(28,502)
Cash and cash equivalents at the beginning of the year		153,113	181,615
Cash and cash equivalents at the end of the year	29	771,318	153,113

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The Arkwright Society Limited 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.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items and fair value. The financial statements are presented in sterling, which is the functional currency of the charity and rounded to the nearest £1.

The consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

The income and expenditure account for the year dealt with in the accounts of the company was a deficit of £641,640 (2020: deficit of £181,216)

2. Accounting policies (continued)

2.2 Going concern

The group's loss for the year of £637,518 consists of a profit on unrestricted funds of £1,664,903 and a loss on restricted funds of £2,302,421 however these numbers are significantly impacted by fixed asset revaluations being an impairment of £2,349,197 of Building 17 charged against restricted funds and a gain of £1,214,883 on other mill buildings in unrestricted funds. Net current assets are £496,909 represented by restricted funds of £606,867 and therefore there are net current liabilities relating to unrestricted funds of £109,958. The group's free reserves are negative.

These revaluation movements do not impact cash and therefore in considering going concern matters it is more appropriate to focus on the profit/loss before valuations which would be a profit on unrestricted funds of £450,020 and a smaller profit on restricted funds of £46,776. These positive figures reflect the funding from DCMS Culture recovery fund, Heritage Lottery Fund, Historic England and Local and National Government support which has meant that despite the challenging trading conditions and extended closures driven by the pandemic the Society has the necessary financial measures in place to support it going forward. The group has also continued to be well supported by its lenders who agreed to capital repayment holidays during the pandemic. Capital repayments have now restarted.

The Trustees have prepared forecasts of income and expenditure and cash flow for a period of 12 months from approval of these financial statements which show that they will be able to operate within the facilities available to them.

The Trustees believe that it is appropriate to prepare the accounts on a going concern basis. The financial statements do not include the adjustments that might be required should this not be the case.

2.3 Income

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the company, can be reliably measured.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the company's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

2. Accounting policies (continued)

2.3 Income (continued)

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

The Coronavirus Job Retention Scheme income is recognised in the period in which it relates on an accruals basis.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is expenditure incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The company 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 company 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.

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Fixtures and fittings - 25% reducing balance or 5 years straight line

Included in fixtures and fittings is a picture held at its original cost of £2,500. This asset has not been depreciated because it is of the opinion of the trustees that the asset is not impaired by the passage of time and in consequence any element of depreciation would be immaterial.

Freehold and long leasehold buildings and heritage assets held at valuation are not depreciated because the buildings are maintained in good condition so that their value is not impaired by the passage of time and in consequence any element of depreciation would be immaterial. The Trustees perform annual impairment reviews in accordance with the requirements of FRS 102 to ensure that the carrying value is not greater than the recoverable amount.

2.8 Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses.

Acquisitions only arise when donated to the charity or if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geographical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public with prior agreement. Heritage assets are to be held for the foreseeable future.

Depreciation is provided on the following basis:

Heritage asset - held at cost - 50 years straight line

2. Accounting policies (continued)

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

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

2.13 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.14 Financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.15 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the parent charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Parent Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2.17 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Freehold and long leasehold buildings and heritage assets held at valuation. The valuations are carried out on a periodic basis by an independent qualified valuer.

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations and gifts received	29,669	2,814	32,483	38,106
Grants receivable	-	-	-	138,756
	<u>29,669</u>	<u>2,814</u>	<u>32,483</u>	<u>176,862</u>
Total 2020	<u>17,261</u>	<u>159,601</u>	<u>176,862</u>	

5. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Property services	314,064	9,440	323,504	365,119
Visitor services	20,133	62,433	82,566	55,016
Education and tours	11,215	-	11,215	84,140
Total 2021	<u>345,412</u>	<u>71,873</u>	<u>417,285</u>	<u>504,275</u>
Total 2020	<u>500,754</u>	<u>3,521</u>	<u>504,275</u>	

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Fundraising events	1,326	1,326	5,743
Cromford Mill Limited sales	261,412	261,412	586,215
	<u>262,738</u>	<u>262,738</u>	<u>591,958</u>
Total 2020	<u>591,958</u>	<u>591,958</u>	

7. Investment income

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest receivable	<u>7</u>	<u>-</u>	<u>7</u>	<u>178</u>
Total 2020	<u>82</u>	<u>96</u>	<u>178</u>	

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. Other incoming resources

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Car Park income	27,847	-	27,847	58,130
Profit on disposal of fixed assets	-	-	-	22,187
Other government covid support	102,480	903,160	1,005,640	-
CJRS income	183,423	-	183,423	-
	<u>313,750</u>	<u>903,160</u>	<u>1,216,910</u>	<u>80,317</u>
Total 2020	<u>80,317</u>	<u>-</u>	<u>80,317</u>	

9. Expenditure on raising funds

Direct Costs

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Cromford Mill Limited- other costs	144,713	144,713	291,788
Cromford Mill Limited- wages and salaries	241,346	241,346	264,378
Cromford Mill Limited- NI	9,122	9,122	11,659
Cromford Mill Limited - pension costs	4,752	4,752	4,989
	<u>399,933</u>	<u>399,933</u>	<u>572,814</u>
Total 2020	<u>572,814</u>	<u>572,814</u>	

THE ARKWRIGHT SOCIETY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Visitors services	206,995	102,613	309,608	182,947
Property services	240,819	41,146	281,965	316,843
Conservation and building services	-	-	-	33,827
Heritage site management	226,984	3,230	230,214	240,498
Building 17	79,865	115,787	195,652	172,006
Governance (note 13)	15,255	-	15,255	14,815
	<u>769,918</u>	<u>262,776</u>	<u>1,032,694</u>	<u>960,936</u>
Total 2020	<u>713,236</u>	<u>247,700</u>	<u>960,936</u>	

11. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Visitors services	309,608	-	309,608	182,947
Property services	281,965	-	281,965	316,843
Conservation and building services	-	-	-	33,827
Heritage site management	230,214	-	230,214	240,498
Building 17	195,652	-	195,652	172,006
Governance	-	15,255	15,255	14,815
	<u>1,017,439</u>	<u>15,255</u>	<u>1,032,694</u>	<u>960,936</u>
Total 2020	<u>946,121</u>	<u>14,815</u>	<u>960,936</u>	

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Governance costs	15,255	14,815

12. Net income/(expenditure)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets owned by the group	47,416	44,812
Depreciation of heritage asset	88,243	88,243
	135,659	133,055

13. Governance costs

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Auditor's remuneration	6,113	2,967	9,080	8,900
Accounting services	6,175	-	6,175	5,915
	12,288	2,967	15,255	14,815
Total 2020	14,815	-	14,815	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	9,580	8,900
Fees payable to the company's auditor in respect of: All non-audit services not included above	5,675	5,915
	15,255	14,815

15. Staff costs

	Group	Group	Company	Company
	2021	2020	2021	2020
	£	£	£	£
Wages and salaries	646,933	666,781	406,709	402,403
Social security costs	38,744	42,412	29,622	30,753
Contribution to defined contribution pension schemes	15,357	15,582	10,605	10,593
	701,034	724,775	446,936	443,749

The average number of persons employed by the company during the year was as follows:

	Group	Group
	2021	2020
	No.	No.
Tourism and visitor services	8	8
Site maintenance	7	8
Catering and retail	31	37
Administration and support	9	5
	55	58

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Staff costs (continued)

The average headcount expressed as full-time equivalents was:

	Group 2021 No.	Group 2020 No.
Tourism and visitor services	5	5
Site maintenance	5	7
Catering and retail	14	16
Administration and support	7	5
	<u>31</u>	<u>33</u>

No employee received remuneration amounting to more than £60,000 in either year.

The total amount of employee benefits received by key management personnel including Employers National Insurance and Pension Contributions is £186,119 (2020: £179,198). The Trustees considers its key management personnel comprise the Chief Executive Officer, Chief Finance Officer, Operations Director and Head of Heritage.

16. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

THE ARKWRIGHT SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Tangible fixed assets

Group

	Freehold property valuation £	Leasehold property valuation £	Cromford Wheatcroft cost £	Fixtures and fittings cost £	Total £
Cost or valuation					
At 1 April 2020	156,333	385,000	153,495	345,262	1,040,090
Additions	-	-	-	54,067	54,067
Disposals	-	-	-	(55,444)	(55,444)
Revaluations	236,667	-	-	-	236,667
At 31 March 2021	393,000	385,000	153,495	343,885	1,275,380
Depreciation					
At 1 April 2020	-	-	36,477	246,046	282,523
Charge for the year	-	-	7,675	39,741	47,416
On disposals	-	-	-	(53,117)	(53,117)
At 31 March 2021	-	-	44,152	232,670	276,822
Net book value					
At 31 March 2021	393,000	385,000	109,343	111,215	998,558
At 31 March 2020	156,333	385,000	117,018	99,216	757,567

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Tangible fixed assets (continued)

Company

	Freehold property valuation £	Leasehold property valuation £	Fixtures and fittings cost £	Total £
Cost or valuation				
At 1 April 2020	156,333	385,000	322,985	864,318
Additions	-	-	48,209	48,209
Disposals	-	-	(44,500)	(44,500)
Revaluations	236,667	-	-	236,667
At 31 March 2021	393,000	385,000	326,694	1,104,694
Depreciation				
At 1 April 2020	-	-	232,403	232,403
Charge for the year	-	-	37,423	37,423
On disposals	-	-	(44,248)	(44,248)
At 31 March 2021	-	-	225,578	225,578
Net book value				
At 31 March 2021	393,000	385,000	101,116	879,116
At 31 March 2020	156,333	385,000	90,582	631,915

The Group has adopted a policy of revaluation for freehold and leasehold property held as tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	Group 2021 £	Group 2020 £
Freehold property	135,500	135,500
Long-term leasehold property	197,599	197,599
	333,099	333,099

17. Tangible fixed assets (continued)

Freehold property consists of Grace Cottage, Cromford Lock Up, Land at Slinger Cottage, Lumsdale Fishponds, Dunsley Meadows and the car park.

Leasehold property consists of Cromford Wharf and Cromford Station. The freehold and leasehold properties were revalued on 13 July 2021 and the financial statements have been updated to reflect this valuation. The valuation was carried out externally and independently by David Brown BSc MRICS RICS. In the Trustees opinion this valuation reflects the values as at 31 March 2021.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

18. Heritage assets

Group and Company

Assets recognised at cost

	Assets held at cost 2021 £	Assets held at valuation 2021 £	Total 2021 £
Carrying value at 1 April 2020	4,059,852	1,324,534	5,384,386
Revaluation	-	978,216	978,216
Depreciation	(88,241)	-	(88,241)
Impairment	(2,349,197)	-	(2,349,197)
	<u>1,622,414</u>	<u>2,302,750</u>	<u>3,925,164</u>

The historical cost of heritage assets is not available as they were acquired in periods for which records are no longer available.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

18. Heritage assets (continued)

Analysis of heritage asset transactions

Group and Company

	2021 £	2020 £	2019 £	2018 £	2017 £
Purchases					
Heritage assets - at cost	-	-	1,392	37,711	119,930
Total additions	-	-	1,392	37,711	119,930
Charge for depreciation					
Heritage assets - at cost	(2,437,438)	(88,243)	(88,298)	(88,236)	(87,482)
Total charge for impairment	(2,437,438)	(88,243)	(88,298)	(88,236)	(87,482)
Disposals					
Heritage assets - at valuation	-	-	-	(1,087)	(100,000)
Total disposals	-	-	-	(1,087)	(100,000)

Heritage assets comprise the Industrial buildings at Cromford Mill including Building 17 which has undergone a substantial renovation completed during 2019. The oldest buildings date back to the second half of the 18th century.

The heritage assets were revalued on 13 July 2021 and the financial statements have been updated to reflect this valuation. The valuation was carried out externally and independently by David Brown BSc MRICS RICS. In the Trustees opinion this valuation reflects the values as at 31 March 2021.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. Fixed asset investments

<i>Company</i>	Investments in subsidiary companies £
<i>Cost or valuation</i>	
At 1 April 2020	2
	<hr/>
At 31 March 2021	2
	<hr/> <hr/>
<i>Net book value</i>	
At 31 March 2021	2
	<hr/>
At 31 March 2020	2
	<hr/> <hr/>

The investment comprises 100% of the share capital of Cromford Mill Limited, the charity's trading subsidiary. The aggregate capital and reserves of that company at 31 March 2021 were £(7,438) (2020: £(11,562)) and its results for the year was a profit of £4,122 (2020: £1,056).

During the year the charity received rent of £28,000, (2020: £28,000) management charges of £57,600 (2020: £12,600) and loan interest of £643 (2020: £539) from Cromford Mill Limited. Other sales made to Cromford Mill Limited were £16,044 (2020: £17,351). Purchases from Cromford Mill Limited totalled £28,713 (2020: £35,091).

At 31 March 2021, £9,672 (2020: owed from £52,722) was owed to Cromford Mill Limited which includes a loan repayable on demand, with interest calculated at bank base rate plus 2%. The loan is secured over the stock held by Cromford Mill Limited.

20. Stocks

	Group 2021 £	Group 2020 £	Company 2020 £
Finished goods and goods for resale	27,988	38,385	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

21. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	4,065	2,301	4,065	2,301
Amounts owed by group undertakings	-	-	9,672	-
Other debtors	8,735	345	186	-
Prepayments and accrued income	41,150	46,268	40,926	46,158
	53,950	48,914	54,849	48,459

22. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	-	29,920	-	-
Bank loans	64,914	-	21,824	-
Trade creditors	162,664	76,924	146,609	56,607
Amounts owed to group undertakings	-	-	-	52,722
Other taxation and social security	27,355	53,661	15,892	23,518
Other creditors	51,001	52,095	48,268	49,925
Accruals and deferred income	50,413	51,213	28,333	36,967
	356,347	263,813	260,926	219,739

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NOTES TO THE FINANCIAL STATEMENTS
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23. Creditors: Amounts falling due after more than one year

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Bank loans	593,179	657,093	523,919	544,743
Architectural Heritage Fund loan re Building 17	484,956	509,143	484,956	509,143
	1,078,135	1,166,236	1,008,875	1,053,886

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Repayable by instalments	639,840	740,525	639,840	740,525
	639,840	740,525	639,840	740,525

The bank loans and overdrafts totalling £545,743 (2020: £544,743) are secured on assets of the charity as follows:-

- A 1st legal charge over commercial freehold property known as Old Trout Farm (Excl No 10), Cromford Mill, Cromford Matlock, Derbyshire dated 23/11/1988.
- A 1st legal charge over commercial freehold property known as Cromford Colour Mills, Cromford, Derbyshire dated 18/11/1988.
- A 1st legal charge over residential property known as Grace Cottage, Station Rd, Cromford, Matlock, Derbyshire dated 16/02/2018.
- A 1st legal charge over commercial freehold property known as 10 Cromford Mill, Mill Road, Cromford, dated 16/02/2018.
- A 2nd legal charge over commercial freehold property known as 10 The Old Trout Farm, Cromford Mill, Cromford, Matlock, Derbyshire dated 19/10/1994.
- A 2nd legal charge over commercial freehold property known as Cromford Colour Mills, Cromford, Derbyshire dated 18/11/1988.
- A 2nd legal charge over commercial freehold property known as 10 Cromford Mill, Mill Road, Cromford, dated 19/10/1994.
- A 2nd legal charge over residential property known as Grace Cottage, Station Rd, Cromford, Matlock, Derbyshire dated 28/05/1999.

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23. Creditors: Amounts falling due after more than one year (continued)

- An unlimited debenture dated 19/12/2001 incorporating a fixed and floating charges over the assets of the society.

- An unlimited debenture dated 16/02/2018 incorporating a fixed and floating charges over the assets of the society.

The bank loan of Cromford Mill Limited is secured on the fixed and floating assets of the company and subject to interest at a rate of 6.5% per annum. The loan is due to be repaid in full by May 2025. The Arkwright Society is guarantor for the loan.

24. Accruals and deferred income

	Group 2021 £	Group 2020 £
Grants	29,144	31,366

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

25. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
General Funds - charity	194,717	436,632	(659,029)	668,295	1,214,883	1,855,498
General Funds - subsidiary	(11,560)	514,944	(510,822)	-	-	(7,438)
	183,157	951,576	(1,169,851)	668,295	1,214,883	1,848,060
Restricted funds						
Building 17 development & project fund	4,459,447	-	(2,465,026)	-	-	1,994,421
Lumsdale project	1,376	3,445	(2,242)	-	-	2,579
Cromford Station	139,438	-	-	-	-	139,438
Dunsley Meadows	56,676	-	(105)	-	-	56,571
Slinter Lane	30,000	-	-	-	-	30,000
Cromford hydro scheme	1,272	9,440	(9,440)	-	-	1,272
Sundry projects	1,081	53	-	-	-	1,134
Strutt Film (Aim Biffa)	3,557	200	(16,408)	-	-	(12,651)
Arkwright's books and artefacts	4,008	-	-	-	-	4,008
Slinter Woodland project	2,252	-	-	-	-	2,252
Guide resources fund	1,682	49	-	-	-	1,731
Education materials	3,114	500	(60)	-	-	3,554
Resilience fund	42,625	-	(6,925)	-	-	35,700
Beyond the Mill Walls Fund	8,100	-	(7,996)	-	-	104
DV Tours Project	12,769	-	(1,187)	-	-	11,582
Jo Fairfax Fund	316	-	-	-	-	316

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

25. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Cromford Mill goes Digital!	-	47,000	(20,775)	-	-	26,225
NLHF Emergency Grants	-	903,160	(73,148)	(668,295)	-	161,717
Meeting Point	-	14,000	(2,000)	-	-	12,000
DE-Carbonise Grant	-	-	(6,661)	-	-	(6,661)
	<u>4,767,713</u>	<u>977,847</u>	<u>(2,611,973)</u>	<u>(668,295)</u>	<u>-</u>	<u>2,465,292</u>
Total of funds	<u><u>4,950,870</u></u>	<u><u>1,929,423</u></u>	<u><u>(3,781,824)</u></u>	<u><u>-</u></u>	<u><u>1,214,883</u></u>	<u><u>4,313,352</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

25. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Unrestricted funds					
General Funds - charity	281,829	587,687	(684,421)	9,622	194,717
General Funds - subsidiary	(12,616)	602,685	(601,629)	-	(11,560)
	<u>269,213</u>	<u>1,190,372</u>	<u>(1,286,050)</u>	<u>9,622</u>	<u>183,157</u>
Restricted funds					
Building 17 development & project fund	4,567,742	-	(108,295)	-	4,459,447
Lumsdale project	92	39,529	(38,245)	-	1,376
Cromford Station	139,438	-	-	-	139,438
Dunsley Meadows	56,117	699	(140)	-	56,676
Slinter Lane	30,000	-	-	-	30,000
Cromford hydro scheme	2,007	-	(735)	-	1,272
Sundry projects	1,024	331	(274)	-	1,081
Strutt Film (Aim Biffa)	-	3,557	-	-	3,557
Arkwright's books and artefacts	4,008	-	-	-	4,008
Slinter Woodland project	2,252	-	-	-	2,252
Guide resources fund	1,441	241	-	-	1,682
Education materials	3,114	-	-	-	3,114
Resilience fund	47,605	78,230	(83,210)	-	42,625
Marquee fund	6,977	7,179	(4,534)	(9,622)	-
Beyond the Mill Walls Fund	-	20,336	(12,236)	-	8,100
DV Tours Project	-	12,800	(31)	-	12,769
Jo Fairfax Fund	-	316	-	-	316
	<u>4,861,817</u>	<u>163,218</u>	<u>(247,700)</u>	<u>(9,622)</u>	<u>4,767,713</u>
Total of funds	<u>5,131,030</u>	<u>1,353,590</u>	<u>(1,533,750)</u>	<u>-</u>	<u>4,950,870</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

25. Statement of funds (continued)

The restricted funds represent monies donated or raised for a specific project of the charity. The purposes of the main restricted funds are given below.

The Building 17 development & project fund aims to develop a World Heritage Site and Gateway.

The Lumsdale project funds are for the continued preservation and archaeological works in Lumsdale.

Cromford Station is now completely refurbished and tenants in situ.

The Dunsley Meadows fund is for the acquisition and management of Dunsley Meadows, an ancient hay meadow local Nature Reserve.

Slinter Land of £30,000 remains following the sale of Slinter Cottage.

The Cromford Hydro Scheme aims to explore the possibility of renewable energy at the site by the installation of technology in order to generate hydro-electricity.

The Strutt Film Fund represents third party match funding donations towards an AIM/BIFFA grant to provide a further film for the Arkwright Experience to tell the life of Strutt

The Slinter Woodland project fund represents the funds obtained and expended in the continued management of the Slinter Woodland site as a 'Site of Specific Interest' SSSI.

The resilience fund aims to support the development of the World Heritage site.

The Beyond the Mill Walls, funded by the Peoples' Postcode Lottery, transformed the riverside area for the benefit of both people and wildlife.

The DV Tours project represents funding received from Derbyshire County Council's Great Place scheme for an entrepreneurial venture with Belper North Mill Trust to provide guided tours of the Derwent Valley, focussing on the Derwent Valley Mills World Heritage Site and other nearby visitor attractions.

The Jo Fairfax Fund represents donations towards an art installation.

Cromford Mills goes Digital! is a COVID19 response project awarded by Historic England helping to create a greater digital presence both online and on site.

The NLHF Emergency grants were awarded by National Lottery Heritage Fund who were administering funds under the Heritage Emergency Fund and subsequently under Culture Recovery Fund for Heritage.

The Meeting Point programme will lead to the commissioning of an artist project at Cromford Mills, awarded by Arts & Heritage.

The DE-Carbonise Grant provides assistance to reduce carbon emissions through upgrading lighting in the Cromford Creative building and also replacing 4 non-condensing gas boilers with 2 condensing boilers, thus updating the heating systems in 3 of the buildings.

There are two restricted funds currently in a deficit position due to funding being claimed in arrears.

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A transfer was made during the year to reflect unrestricted core costs being funded by restricted monies received inline with the approved project costs from the funder.

26. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds	183,157	951,576	(1,169,851)	668,295	1,214,883	1,848,060
Restricted funds	4,767,713	977,847	(2,611,973)	(668,295)	-	2,465,292
	<u>4,950,870</u>	<u>1,929,423</u>	<u>(3,781,824)</u>	<u>-</u>	<u>1,214,883</u>	<u>4,313,352</u>

Summary of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
General funds	269,213	1,190,372	(1,286,050)	9,622	183,157
Restricted funds	4,861,817	163,218	(247,700)	(9,622)	4,767,713
	<u>5,131,030</u>	<u>1,353,590</u>	<u>(1,533,750)</u>	<u>-</u>	<u>4,950,870</u>

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NOTES TO THE FINANCIAL STATEMENTS
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27. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	762,546	236,012	998,558
Heritage assets	2,302,751	1,622,413	3,925,164
Current assets	246,389	606,867	853,256
Creditors due within one year	(356,347)	-	(356,347)
Creditors due in more than one year	(1,078,135)	-	(1,078,135)
Provisions for liabilities and charges	(29,144)	-	(29,144)
Total	1,848,060	2,465,292	4,313,352

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	443,930	313,637	757,567
Heritage assets	1,236,292	4,148,094	5,384,386
Current assets	(35,650)	305,982	270,332
Creditors due within one year	(263,813)	-	(263,813)
Creditors due in more than one year	(1,166,236)	-	(1,166,236)
Provisions for liabilities and charges	(31,366)	-	(31,366)
Total	183,157	4,767,713	4,950,870

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NOTES TO THE FINANCIAL STATEMENTS
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28. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	Group 2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(1,852,401)	(180,160)
Adjustments for:		
Depreciation charges	135,657	133,055
Amortisation of government grant	(2,222)	(2,223)
Interest received	(7)	(178)
Interest paid	42,092	44,024
Loss/(profit) on the sale of fixed assets	2,327	(22,787)
Decrease in stocks	10,397	1,799
(Increase)/decrease in debtors	(5,036)	16,158
Increase in creditors	57,540	27,222
Impairment of heritage assets	2,349,197	-
Net cash provided by operating activities	737,544	16,910

29. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	771,318	183,033
Overdraft facility repayable on demand	-	(29,920)
Total cash and cash equivalents	771,318	153,113

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30. Analysis of changes in net debt

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	183,033	588,285	771,318
Bank overdrafts repayable on demand	(29,920)	29,920	-
Debt due within 1 year	(10,000)	(64,914)	(74,914)
Debt due after 1 year	(1,166,236)	88,101	(1,078,135)
	<u>(1,023,123)</u>	<u>641,392</u>	<u>(381,731)</u>

31. Contingent liabilities

The charity has a possible obligation to repair and reinstate an aqueduct which was formally part of the Cromford Mill site. Derbyshire County Council (DCC) are unable to agree with Derbyshire Dales District Council (DDDC) and Historic England (HE) on the height at which the aqueduct should be reinstated. The liability has been estimated at £295,000 and is contingent on an agreement being reached between DCC and DDDC/HE at some point in the future.

32. Operating lease commitments

At 31 March 2021 the Group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Not later than 1 year	37,505	37,197	9,505	9,197
Later than 1 year and not later than 5 years	10,130	17,588	10,130	17,588
	<u>47,635</u>	<u>54,785</u>	<u>19,635</u>	<u>26,785</u>

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33. Related party transactions

During 2013 the Duke of Devonshire, the President of the charity, made a loan to the charity of £35,000, £10,000 remained payable as at 31 March 2021 and 2020. The loan is interest free.

Geldards, a firm in which David Williams is a member, carried out professional services for the Charity. Amounts paid in the year were £6,998 (2020: £4,513). No amounts were outstanding.

David William's wife has rented office space from the Charity within the period and has paid £11,660 in rental charges. (2020: £9,750).

34. Principal subsidiaries

The following was a subsidiary undertaking of the company:

Name	Company number	Class of shares	Holding
Cromford Mill Limited	02913429	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss)/ Surplus/ (Deficit) for the year £	Net assets £
Cromford Mill Limited	514,951	(510,829)	4,122	(7,438)