

THE SILK HERITAGE TRUST

England & Wales · Charity number 519521

Details

Other names	MACCLESFIELD MUSEUMS TRUST, MACCLESFIELD SILK MUSEUM
Status	Registered
Legal form	Charitable company
Company number	02182687
Registered	1987-11-19
Register	View on the Charity Commission register

Contact

Address	The Silk Museum Park Lane Macclesfield SK11 6TJ
Phone	01625613210
Email	director@silmacclesfield.org.uk
Website	www.silmacclesfield.org.uk

Activities

Objects: 1) TO ADVANCEMENT OF THE EDUCATION OF THE PUBLIC BY THE PROVISION OF MUSEUM AND ANCILLARY FACILITIES. 2) ANY OTHER CHARITABLE PURPOSES FOR THE BENEFIT OF THE PUBLIC.

Activities: The objects of the Association are as stated in the Annual Report:(1) The advancement of the education of the public by the provision of museum and ancillary facilities(2) any other charitable purpose for the benefit of the public.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage, Recreation
- **Who:** Children/young People, Elderly/old People, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Cheshire East

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£635,300	£670,137	£1,478,375	7
2024-03-31	£554,799	£398,934	£1,513,212	5
2023-03-31	£361,033	£470,855	-	-
2022-03-31	£498,158	£455,495	-	-
2021-03-31	£405,398	£345,188	-	-

Trustees

Name	Role	Appointed
Simon John Spurrell	Chair	2025-08-20
Benedict Arthur Clement Bowden		2025-07-17
Elizabeth Ann Braithwaite		2024-01-30
Elizabeth Anne Cookson		2025-07-17
Fattori McKenna		2025-04-23
Hannah Williamson		2019-04-25
JANET JACKSON		2012-07-20
James Hogben		2026-02-17
James William Barber		2024-01-30
Joanna Clare Hayward		2022-06-27
Olivia Mary Rudkin		2026-01-22
Philip Cole		2021-04-01
Rebecca Mary Medcalf		2014-01-30
Robert Gubbins		2026-02-17
Roy Douglas Pownall		2017-06-19
Ruby Kathleen Judge		2026-02-16

Linked charities

- THE SILK HERITAGE TRUST ENDOWED CHARITY (519521-1)

THE SILK HERITAGE TRUST

England & Wales - Charity number 519521

Accounts

Signed by:

Simon Spurrell

Signing request

Created: 28/01/2026, 18:56:32
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Signee

Signed: 28/01/2026, 19:32:22
Comment: Chair on behalf of the board
Name as registered in practice management software: Spurrell, Simon
Name as provided by signee: Simon Spurrell
E-mail address: chair@silkmacclesfield.org.uk
IP Address: 150.228.103.216
Browser user agent: Mozilla/5.0 (Macintosh; Intel Mac OS X 10.15; rv:147.0) Gecko/20100101 Firefox/147.0

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The Silk Heritage Trust

Charity No. 519521

Company No. 02182687

Trustees' Report and Unaudited Accounts

31 March 2025

The Silk Heritage Trust
Contents

	Pages
Trustees' Annual Report	2 to 5
Independent Examiner's Report	6
Statement of Financial Activities	7
Summary Income and Expenditure Account	8
Balance Sheet	9
Statement of Cash flows	10
Notes to the Accounts	11 to 22
Detailed Statement of Financial Activities	23 to 24

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the unaudited financial statements of the charity for the year ended 31 March 2025.

REFERENCE AND ADMINISTRATIVE DETAILS

Company No. 02182687

Charity No. 519521

Registered Office

The Heritage Centre

Roe Street

Macclesfield

Cheshire

SK11 6TJ

Directors and Trustees

The Directors of the charitable company are its Trustees for the purposes of charity law.

The following Directors and Trustees served during the year:

J.W. Barber

E.A. Braithwaite

P. Cole

J.A. Griffiths (Resigned 24 July 2024)

J.C. Hayward

J. Jackson

R.M. Medcalf

R.D. Pownall

M.J. Ward (Resigned 5 November 2025)

H. Williamson

Governance and Directorship

Chair, replacing Mr John Varney, Sep 25

Mr Simon Spurrell

Museum Director

Emma Anderson

Company Secretary

Emma Anderson

Accountants

I Hate Numbers Limited

Forester Building

29-35 St Nicholas Place

Leicester

LE1 4LD

Executive Summary

The Silk Heritage Trust Trustees Annual Report

The year 2024–2025 was a pivotal period for The Silk Heritage Trust. Despite sector-wide challenges, including slow visitor recovery and rising operational costs, the Trust made significant progress in strengthening its financial resilience, governance, and community engagement. Key highlights include:

- **Financial Success:** Secured over £500,000 in grant funding, including a major £226,000 National Lottery Heritage Fund grant, enabling transformative projects at Paradise Mill and the Silk Museum.
- **Governance & Leadership:** Welcomed new Trustees with expertise in retail and digital innovation; transitioned leadership with Simon Spurrell appointed as Chair in September 2025.
- **Strategic Development:** Completed the Transformation Project and launched a new five-year strategy focused on growth, diversity, and sustainability.
- **Partnerships & Outreach:** Expanded collaborations with Cheshire East Council, Macclesfield Town Council, and local community groups, delivering inclusive events and creative initiatives.
- **Operational Achievements:** Completed capital works across key sites, introduced new exhibitions, and enhanced visitor experience through retail and café development.
- **Volunteer & Workforce Growth:** Increased volunteer engagement and created new roles to strengthen visitor services and enterprise.

These achievements position the Trust for an ambitious development programme in 2025–2026, ensuring that Macclesfield's silk heritage continues to thrive as a vibrant cultural and educational resource.

Challenges and Strategic Focus

Like many organisations in the cultural and heritage sector, we continued to face post-pandemic challenges compounded by rising costs and slow visitor recovery. Secondary spend remains low, and overheads have increased. In response, the Board focused on diversifying income streams, rebuilding reserves, and addressing critical issues in our collections and buildings. Our clarified vision and streamlined governance have transformed operations and underpinned our fundraising success.

Governance

This year saw significant changes to our Board:

- **New Trustees:** Fattori McKenna (digital innovation), Liz Cookson (art, education and creative programming), Ben Bowden (Philanthropic fundraising). We are in the process of onboarding three new young trustees in the new year to add some diversity to our board.
- **Departures:** Julie-Ann Griffiths, Emma Anderson, the former Director, and John Varney, whose leadership as Chair was instrumental in our transformation.
- **Leadership:** Hannah Williamson served as Interim Chair until September 2025, when I, Simon Spurrell, was appointed as Chair.
- **Presidency:** We thank David Rutley for his long-standing support and welcome Tim Roca MP as our new President. John Varney has been given the honorary permanent title of Vice President in recognition of his long service to the Trust.

Financial Management

Financial resilience remains a priority. Despite income challenges, we protected reserves where possible and commissioned a VAT review, including plans for a subsidiary trading company. We also navigated the sudden loss of our accountancy and payroll provider. Thanks to exceptional efforts by the Director and team, we secured over £500,000 in grant funding, ensuring a strong foundation for future growth.

Key Grants and Projects

- Silk Museum & Jacquard Studio:£165,000 from Arts Council England for capital improvements, supported by the National Heritage Memorial Fund, Pilgrim Trust, and Friends of Macclesfield Silk Heritage.
- Collections Development:£3,600 from AiM forRediscovering Childhoodand £28,000 from Arts Council England for new interpretation at Paradise Mill.
- Workforce Development:£41,750 annually for three years from The Headley Trust for our first Senior Curator; additional support from Manchester Metropolitan University and The Granada Foundation.
- Learning & Engagement:Grants from Cheshire East Levelling Up Fund, Museum Development North, and others for early years programmes, teacher CPD, and outreach initiatives.
- Significant Achievement:£226,000 from the National Lottery Heritage Fund for an 18-month project to transform Paradise Mill and the Silk Museum into a vibrant hub for heritage, skills, and community engagement.

Partnerships

Our partnerships remain central to our success:

- Cheshire East Council:Continued revenue support and collaboration on conservation and redisplay of West Park collections.
- Macclesfield Town Council:Joint delivery of popular community events, including Lunar New Year workshops and Heritage Open Days.
- Community Engagement:Active involvement with the Macclesfield Creative Network, local charities, and groups, including LGBTQ+ and Refugees Welcome.
- Potential Future Partnerships:The Silk Triangle initiative has been initiated to foster mutual Museum collaboration among the three Silk Towns of Macclesfield, Leek, and Congleton. This has great opportunities that need to be defined in 2026.

Operations and Venues

Capital works at Paradise Mill, the Silk Museum, and the Old Sunday School were completed with expert support from Creative Heritage Consultants Ltd. Paradise Mill is now a key driver of organisational resilience, complemented by new displays at the Silk Museum, including the West Park collections and a football heritage exhibition.

Staff and Volunteers

- New Museum Director:Dr Clare Harding has joined us as our new Museum Director, and she has taken on oversight of the Old Sunday School as part of her role. We are fortunate to have recruited a talented and driven individual who is already making a difference to our organisation.
- New Visitor Services & Enterprises Manager role: filled by the experienced and talented Amy Bishop, who is boosting our marketing, retail income and volunteer engagement.
- Volunteer contributions have been outstanding, from the History Hunters' archival work to the thriving Tunnicliffe Garden and Dye Garden. Our dedicated staff and volunteers remain the Trust's greatest asset.
- Our brilliant garden volunteers (Shirley, Diane, and Sue), whose hard work was rewarded by Britain in Bloom, returned with a Gold Award (for the second year running!) and as Category Winners for Best Small Tourist Attraction!
- Education and Curators should be noted for their excellent development of the museum tots, exhibition programme and Santa's Grotto, an innovation for us, and by all accounts a lot of work.

New Systems and Renovations

The Silk Heritage Trust
Trustees Annual Report

We have completed a fully funded transformation of our Café, including a remodelled kitchen and counter, and an alteration to the reception desk. All beautifully painted in our benefactor-supplied Little Greene Paint colours range.

Due to the end of life of our previous system, Vennersys Ticketing was chosen as our replacement ticketing system, enhanced CRM and EPOS software solution. Amy Bishop is leading the successful integration, and we expect it to provide a significantly improved visitor experience, as well as other opportunities for retention and repeat business for the museum.

SharePoint and Email

Since my appointment, I have utilised my IT skills to enhance the security and improve our compliance with the storage and use of Trust data. Having convinced the incumbent IT support company that we are entitled to 250 free Microsoft Office licences, all Board members, trustees, and staff now have a Silk Heritage Trust email account and access to the SharePoint file repository. Access to the accounts is restricted with two-factor authentication, which significantly reduces our risk of fraud, and all guest accounts have been removed.

Projects underway with funding from public bodies, Trusts & Foundations

The National Heritage Lottery Funded consultation about the future of the museum is underway, with a report due by the end of January.

Paradise Mill

£4,200 Decorative Arts Society to research the Macclesfield School of Art Collection

£2,500 Granada Foundation for Weaver in Residence

£28,000 Arts Council Unlocking Collections for new interpretation

£125,250 Headley Trust Senior Curator Paradise Mill - 3 years

£29,000 Pilgrim Trust for Cartwright & Sheldon collections care & development

Silk Museum

£15,000 Foyle Foundation for developing Café as a Community Hub

£5,000 Museum Development North to establish Audience Baseline

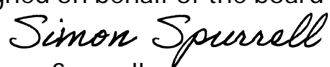
£165,000 Arts Council Capital Improvement Programme – Jacquard Studio

£227,223 National Lottery Heritage Fund – Resilience programme

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out in Part 15 of the Companies Act 2006 and in accordance with the Charities SORP (FRS 102).

Signed on behalf of the board



Simon Spurrell

Chair

28 January 2026

Independent Examiner's Report to the trustees of The Silk Heritage Trust

I report to the charity trustees on my examination of the financial statements of The Silk Heritage Trust for the year ended 31 March 2025.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act).

Having satisfied myself that the financial statements of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

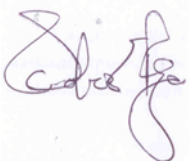
Independent examiner's statement

As the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Chartered Association of Certified Accountants, which is one of the listed bodies.

I have completed my examination. I can confirm that no material matters have come to my attention in connection with the examination giving me cause to believe:

- accounting records were not kept in accordance with section 386 of the 2006 Act ; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the accounting requirements under section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Manmood Reza Chartered Association of Certified
Accountants
I Hate Numbers Limited
Forester Building
29-35 St Nicholas Place
Leicester

LE1 4LD
28 January 2026

The Silk Heritage Trust
Statement of Financial Activities
for the year ended 31 March 2025

		Silk Heritage Trust				
		Unrestricted	Restricted	Endowed	Total funds	Total funds
		funds	funds	Charity	2025	2024
		2025	2025	2025	2025	2024
Notes	£	£	£	£	£	£
Income and endowments from:						
Donations and legacies	4	220,614	165,360	12,728	398,702	374,271
Charitable activities	5	95,157	-	100,041	195,198	139,112
Other trading activities	6	38,760	-	-	38,760	34,528
Investments	7	1,040	-	86	1,126	848
Other	8	1,249	-	265	1,514	6,041
Total		356,820	165,360	113,120	635,300	554,800
Expenditure on:						
Raising funds	9	14,067	2,852	-	16,919	16,702
Charitable activities	10	372,991	155,116	125,112	653,218	382,233
Total		387,058	157,967	125,112	670,137.00	398,935
Net gains on investments		-	-	-	-	-
Net (expenditure)/income	11	(30,238)	7,393	(11,991)	(34,837)	155,865
Transfers between funds		-	-	-	-	-
Net (expenditure)/income before other gains/(losses)		(30,238)	7,393	(11,991)	(34,837)	155,865
Other gains and losses						
Net movement in funds		(30,238)	7,393	(11,991)	(34,837)	155,865
Reconciliation of funds:						
Total funds brought forward		1,176,554	27,588	309,070	1,513,212	1,357,347
Total funds carried forward		1,146,316	34,981	297,079	1,478,375	1,513,212

The Silk Heritage Trust
 Summary Income and Expenditure Account
 for the year ended 31 March 2025

	2025 £	2024 £
Income	634,174	553,952
Interest and investment income	1,126	848
Gross income for the year	<u>635,300</u>	<u>554,800</u>
Expenditure	670,137	398,935
Total expenditure for the year	<u>670,137</u>	<u>398,935</u>
Net (expenditure)/income before tax for the year	(34,837)	155,865
Net (expenditure)/income for the year	<u>(34,837)</u>	<u>155,865</u>

The Silk Heritage Trust

Balance Sheet

at 31 March 2025

Company No. 02182687	Notes	2025 £	2024 £
Fixed assets			
Tangible assets	13	1,298,805	1,312,638
Investments	15	202	202
		<u>1,299,007</u>	<u>1,312,840</u>
Current assets			
Stocks	16	4,150	3,751
Debtors	17	192,859	75,922
Cash at bank and in hand		182,142	240,645
		<u>379,151</u>	<u>320,318</u>
Creditors: Amount falling due within one year	18	(199,783)	(119,946)
Net current assets		<u>179,368</u>	<u>200,372</u>
Total assets less current liabilities		<u>1,478,375</u>	<u>1,513,212</u>
Net assets excluding pension asset or liability		<u>1,478,375</u>	<u>1,513,212</u>
Total net assets		<u><u>1,478,375</u></u>	<u><u>1,513,212</u></u>
The funds of the charity			
Restricted funds	19		
Silk Heritage Trust Endowed Charity		297,079	309,070
Restricted income funds		34,981	27,588
		<u>332,059</u>	<u>336,658</u>
Unrestricted funds	19		
General funds		1,146,316	1,176,554
		<u>1,146,316</u>	<u>1,176,554</u>
Reserves	19		
Total funds		<u><u>1,478,375</u></u>	<u><u>1,513,212</u></u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

For the year ended 31 March 2025 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

Approved by the board on 28 January 2026

And signed on its behalf by:

Simon Spurrell
Chair
28 January 2026

The Silk Heritage Trust
Statement of Cash flows
for the year ended 31 March 2025

	2025 £	2024 £
Cash flows from operating activities		
Net (expenditure)/income per Statement of Financial Activities	(34,837)	155,865
Adjustments for:		
Depreciation of property, plant and equipment	14,504	14,663
Dividends, interest and rents from investments	(2,640)	(848)
Other gains/losses	-	-
(Increase)/Decrease in stocks	(399)	139
(Increase)/Decrease in trade and other receivables	(116,937)	49,983
Increase in trade and other payables	79,837	19,788
Net cash (used in)/provided by operating activities	<u>(60,472)</u>	<u>239,590</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(671)	(152,113)
Dividends, interest and rents from investments	2,640	848
Net cash from/(used in) investing activities	<u>1,969</u>	<u>(151,265)</u>
Net cash from financing activities	<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	(58,503)	88,325
Cash and cash equivalents at the beginning of the year	240,645	152,320
Cash and cash equivalents at the end of the year	<u>182,142</u>	<u>240,645</u>
Components of cash and cash equivalents		
Cash and bank balances	182,142	240,645
	<u>182,142</u>	<u>240,645</u>

for the year ended 31 March 2025

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Change in basis of accounting or to previous accounts

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

Fund accounting

Unrestricted funds	These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.
Designated funds	These are unrestricted funds earmarked by the trustees for particular purposes.
Revaluation funds	These are unrestricted funds which include a revaluation reserve representing the restatement of investment assets at their market values.
Restricted funds	These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

Income

Recognition of income Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.

Income with related expenditure Where income has related expenditure the income and related expenditure is reported gross in the SoFA.

Donations and legacies Voluntary income received by way of grants, donations and gifts is included in the the SoFA when receivable and only when the Charity has unconditional entitlement to the income.

Tax reclaims on donations and gifts Income from tax reclaims is included in the SoFA at the same time as the gift/donation to which it relates.

Donated services and facilities These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material.

Volunteer help The value of any volunteer help received is not included in the accounts.

Investment income This is included in the accounts when receivable.

Gains/(losses) on revaluation of fixed assets This includes any gain or loss resulting from revaluing investments to market value at the end of the year.

Gains/(losses) on investment assets This includes any gain or loss on the sale of investments.

The Silk Heritage Trust
Notes to the Accounts

Expenditure

Recognition of expenditure Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Expenditure on raising funds These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.

Expenditure on charitable activities These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs.

Grants payable All grant expenditure is accounted for on an actual paid basis plus an accrual for grants that have been approved by the trustees at the end of the year but not yet paid.

Governance costs These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.

Other expenditure These are support costs not allocated to a particular activity.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Stocks

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

Trade and other debtors

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

Trade and other creditors

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Leased assets

Where the charity enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease.

Leases which do not transfer substantially all the risks and rewards of ownership to charity are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the charity at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet date as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the charity's policy on borrowing costs.

Assets held under finance leases are depreciated in the same way as owned assets.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Pension costs

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations. The contributions are recognised as expenses when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Receipt of donated goods, facilities and services

All donated goods, facilities and services received are recognised within incoming resources and expenditure at an estimate of the value to the charity.

2 Company status

The company is a private company limited by guarantee and consequently does not have share capital.

3 Statement of Financial Activities - prior year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Silk Heritage Trust Endowed Charity 2024 £	Total funds 2024 £
Income and endowments from:				
Donations and legacies	319,683	53,425	1,164	374,272
Charitable activities	55,847	-	89,304	145,151
Other trading activities	34,528	-	-	34,528
Investments	745	-	103	848
Total	<u>410,803</u>	<u>53,425</u>	<u>90,571</u>	<u>554,799</u>
Expenditure on:				
Charitable activities	283,682	29,603	68,947	382,232
Other	16,702	-	-	16,702
Total	<u>300,384</u>	<u>29,603</u>	<u>68,947</u>	<u>398,934</u>
Net income	<u>110,419</u>	<u>23,822</u>	<u>21,624</u>	<u>155,865</u>
Net income before other gains/(losses)	110,419	23,822	21,624	155,865
Other gains and losses:				
Net movement in funds	<u>110,419</u>	<u>23,822</u>	<u>21,624</u>	<u>155,865</u>
Reconciliation of funds:				
Total funds brought forward	1,066,135	3,766	287,446	1,357,347
Total funds carried forward	<u><u>1,176,554</u></u>	<u><u>27,588</u></u>	<u><u>309,070</u></u>	<u><u>1,513,212</u></u>

4 Income from donations and legacies

	Unrestricted £	Restricted £	Silk Heritage Trust Endowed Charity £	Total 2025 £	Total 2024 £
Donations	13,354	-	2,463	15,817	8,365
Grants	207,260	165,360	10,265	382,885	365,906
	<u>220,614</u>	<u>165,360</u>	<u>12,728</u>	<u>398,702</u>	<u>374,271</u>

5 Income from charitable activities

	Silk Heritage Trust Endowed		Total	Total
	Unrestricted	Charity	2025	2024
	£	£	£	£
Museum/Admissions	41,090	-	41,090	49,924
Education & Learning space	29,068	-	29,068	43,300
Recharges	25,000	-	25,000	14,259
Room hire	0	47,390	47,390	31,629
Cinemas	0	37,810	37,810	-
Recharge of Utilities	0	14,840	14,840	-
	<u>95,157</u>	<u>100,041</u>	<u>195,198</u>	<u>139,112</u>

6 Income from other trading activities

	Unrestricted	Total	Total
		2025	2024
	£	£	£
Shop Income	28,777	28,777	34,528
Café income	9,983	9,983	-
	<u>38,760</u>	<u>38,760</u>	<u>34,528</u>

7 Income from investments

	Silk Heritage Trust Endowed		Total	Total
	Unrestricted	Charity	2025	2024
	£	£	£	£
Bank Interest Received	1,040	86	1,126	848
	<u>1,040</u>	<u>86</u>	<u>1,126</u>	<u>848</u>

8 Other income

	Silk Heritage Trust Endowed		Total	Total
	Unrestricted	Charity	2025	2024
	£	£	£	£
Other income	1,249	265	1,514	5,924
	-	-	-	117
	<u>1,249</u>	<u>265</u>	<u>1,514</u>	<u>6,041</u>

9 Expenditure on raising funds

	Unrestricted	Restricted	Total	Total
	£	£	2025	2024
			£	£
<i>Costs of generating voluntary income</i>				
Purchases	14,067	2,852	16,919	16,702
	<u>14,067</u>	<u>2,852</u>	<u>16,919</u>	<u>16,702</u>

10 Expenditure on charitable activities

	Unrestricted	Restricted	Silk Heritage Trust Endowed Charity	Total	Total
	£	£	£	2025	2024
				£	£
<i>Expenditure on charitable activities</i>					
Recharges	-	-	25,000	25,000	-
Staff costs	156,791	130,736	-	287,527	147,548
Advertising & Marketing	18,392	729	-	19,121	14,697
Cleaning	4,668	-	5,280	9,948	8,074
Repairs and Maintenance	74,845	4,624	59,819	139,288	10,055
Display, Programmes and exhibitions	0	17,221	-	17,221	16,568
Security	9,392	-	3,854	13,246	5,574
Travel	343	-	-	343	379
Insurance	21,519	-	-	21,519	17,460
Premises costs	28,362	325	25,581	54,268	38,687
Depreciation	10,554	-	3,950	14,504	14,663
Legal and professional	2,400	933	1,517	4,850	66,554
Bank Charges	1,225	-	111	1,336	879
Accountancy	15,905	-	-	15,905	15,550
Communications	3,718	-	-	3,718	4,101
Printing and stationery	680	-	-	680	639
Computer costs	9,915	548	-	10,463	7,739
Irrecoverable vat	9,488	-	-	9,488	12,897
General costs	713	-	-	713	169
	<u>368,911</u>	<u>155,116</u>	<u>125,112</u>	<u>649,138</u>	<u>382,233</u>

11 Net (expenditure)/income before transfers

	2025	2024
This is stated after charging:	£	£
Auditors' remuneration	-	3,600
Independent Examiner's fee	4,080	-
Other fees paid to the auditor or independent examiner	-	11,950

12 Staff costs

No employee received emoluments in excess of £60,000. (2023-none)

The management of the combined trust is the duty of the trustees who are unpaid.

The average monthly number of full time equivalent employees during the year was as follows:

	2025 Number	2024 Number
Management and administration	1	1
Fundraising	-	1
Charitable activities	6	5
	<u>7</u>	<u>7</u>

13 Tangible fixed assets

<i>The Silk Heritage Trust</i>	Land & Buildings	Fixtures, Fittings and Equipment	Paradise Mill Lease	Total
	£	£	£	£
Cost or revaluation				
At 1 April 2024	1,202,215	122,187	152,113	1,476,515
Additions	-	671	-	671
At 31 March 2025	<u>1,202,215</u>	<u>122,858</u>	<u>152,113</u>	<u>1,477,186</u>
Depreciation and impairment				
At 1 April 2024	181,085	122,187	1,213	304,485
Depreciation charge for the year	9,500	168	1,213	10,881
At 31 March 2025	<u>190,585</u>	<u>122,355</u>	<u>2,426</u>	<u>315,366</u>
Net book values				
At 31 March 2025	<u>1,011,630</u>	<u>503</u>	<u>149,687</u>	<u>1,161,820</u>
At 31 March 2024	<u>1,021,130</u>	<u>-</u>	<u>150,900</u>	<u>1,172,030</u>

Tangible Fixed assets- Silk Heritage Trust

14 Endowed Charity

<i>The Heritage Centre</i>	Buildings		Fixtures & Fittings		Total
	£	£	£	£	£
Cost or revaluation					
At 1 April 2024	309,111		105,737		414,848
At 31 March 2025	<u>309,111</u>		<u>105,737</u>	-	<u>414,848</u>
Depreciation and impairment					
At 1 April 2024	169,795		104,445	-	274,240
Depreciation charge for the year	3,300		323	-	3,623
At 31 March 2025	<u>173,095</u>		<u>104,768</u>	-	<u>277,863</u>
Net book values					
At 31 March 2025	<u>136,016</u>	-	<u>969</u>	-	<u>136,985</u>
At 31 March 2024	<u>139,316</u>	-	<u>1,292</u>	-	<u>140,608</u>

15 Investments

	Other investments - Listed	Total
	£	£
Cost or revaluation		
Revaluation	202	202
At 31 March 2025	<u>202</u>	<u>202</u>
Net book values		
At 31 March 2025	<u>202</u>	<u>202</u>

16 Stocks

	2025	2024
	£	£
Finished goods	4,150	3,751
	<u>4,150</u>	<u>3,751</u>

17 Debtors

	2025	2024
	£	£
The Silk Heritage Endowed Trust	77,743	45,196
VAT recoverable	16,427	-
Other debtors	98,415	5,827
Prepayments and accrued income	274	24,899
	<u>192,859</u>	<u>75,922</u>

The Silk Heritage Trust
Notes to the Accounts

18 Creditors:
amounts falling due within one year

	2025	2024
	£	£
Trade creditors and accruals	90,742	71,635
Other taxes and social security	2,087	3,115
The Silk Heritage Endowed Trust	77,743	45,196
Other creditors	29,211	-
	<u>199,783</u>	<u>119,946</u>

19 Movement in funds

	At 1 April 2024	Incoming resources (including other gains/losses) £	Resources expended £	At 31 March 2025 £
Restricted funds:				
Endowment funds:				
The Silk Heritage Trust Endowed Charity	309,070	113,120	(125,112)	297,079
<i>Total</i>	<u>309,070</u>	<u>113,120</u>	<u>(125,112)</u>	<u>297,079</u>
Restricted income funds:				
CEC West Park	8,246	17,000	(25,246)	-
Heritage Compass	4,842	-	(548)	4,294
Radcliffe Grant	5,000	-	(4,700)	300
Manchester University Audience Development grant	900	-	(846)	54
AIM Brighter Day	3,600	-	(3,949)	(349)
CEC NHMF Match	2,500	-	-	2,500
Friends NHMF Match	2,500	6,500	-	9,000
ACE - Unlocking	-	25,200	(4,482)	20,718
ACE-CIP2	-	59,310	(96,261)	(36,951)
The Headley Trust	-	41,750	(13,877)	27,873
MDNW Silk Museum in Schools	-	3,753	(312)	3,441
Other grants £3000 and under	-	11,847	(7,746)	4,101
<i>Total</i>	<u>27,588</u>	<u>165,360</u>	<u>(157,967)</u>	<u>34,981</u>
Unrestricted funds:				
General funds	1,176,554	356,820	(387,058)	1,146,316
Total funds	<u><u>1,513,212</u></u>	<u><u>635,300</u></u>	<u><u>(670,137)</u></u>	<u><u>1,478,375</u></u>

Purposes and restrictions in relation to the funds:

Endowment funds:

The Silk Heritage Trust
Endowed Charity

Restricted funds:

CEC West Park

Cheshire East Council, West Park: removal, conservation and return of paintings held at West Park to the Town Hall.

The Silk Heritage Trust
Notes to the Accounts

Heritage Compass	Marketing and development funding to support the broader charity's growth, including the purchase of digital donation boxes.
Radcliffe Grant	Restoration of looms at Paradise Mill alongside a placement for a weaver.
Manchester University Audience Development grant	Manchester University: restoration of looms at Paradise Mill alongside a placement for a weaver. Audience Development: funding from the Foyle Foundation to support the development of new audiences for the Silk Museum and Paradise Mill.
AIM Brighter Day	Cataloguing, digitising and display of the children's wear collection.
CEC NHMF Match	Cheshire East Council Match: match funding from Cheshire East Council to support the reroofing of Paradise Mill, replacement of windows at the Old Sunday School, and the development of the Jacquard Studios.
Friends NHMF Match	Match funding from the Friends of the Silk Museum to support the reroofing of Paradise Mill, replacement of windows at the Old Sunday School, and the development of the Jacquard Studios.
ACE - Unlocking	Arts Council England funding for new interpretation for Paradise Mill.
ACE-CIP2	Arts Council England funding to restore the Jacquard studios.
The Headley Trust	Funding to support the role of a Senior Curator for Paradise Mill.
MDNW Silk Museum in Schools	Museums Development North West funding to develop new engagement materials for schools around the Egyptology collection.
Other grants £3000 and under	

20 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fixed assets	1,298,805	-	1,298,805
Investments	202	-	202
Net current assets	162,941	16,427	179,368
	<u>1,461,948</u>	<u>16,427</u>	<u>1,478,375</u>

21 Reconciliation of net debt

	At 1 April 2024	Cash flows	At 31 March 2025
	£	£	£
Cash and cash equivalents	240,645	(58,503)	182,142
	<u>240,645</u>	<u>(58,503)</u>	<u>182,142</u>
Net debt	<u>240,645</u>	<u>(58,503)</u>	<u>182,142</u>

22 Post balance sheet events

The trustees of the Silk Heritage Trust believe that the Charity remains a going concern, supported by a healthy balance sheet as of 31st March 2025.

During the year, the Charity has experienced a loss of funding, resulting in a significant reduction in income and likely affecting the scope and scale of activities the Silk Heritage Trust could undertake beyond the following financial year.

Notwithstanding this, the trustees are confident that, over the longer term, they will be able to adapt the Charity's practices and services and identify alternative income streams sufficient to enable the Silk Heritage Trust to continue its operations.

However, at the date of signing these accounts, the trustees acknowledge that this uncertainty may affect the Charity's going concern status as we advance.

Simon Spurrell, Chair.

For and on behalf of the Board of Trustees.

23 Related party disclosures

Controlling party

The company is limited by guarantee and has no share capital; thus no single party controls the company.

The Silk Heritage Trust
Detailed Statement of Financial Activities
for the year ended 31 March 2025

	Silk Heritage Trust				
	Unrestricted funds	Restricted funds	Endowed Charity	Total funds	Total funds
	2025	2025	2025	2025	2024
	£	£	£	£	£
Income and endowments from:					
Donations and legacies					
Donations	13,354	-	2,463	15,817	8,365
Grants	207,260	165,360	10,265	382,885	365,906
	<u>220,614</u>	<u>165,360</u>	<u>12,728</u>	<u>398,702</u>	<u>374,271</u>
Charitable activities					
Museum/Admissions	41,090	-	-	41,090	49,924
Education & Learning space	29,068	-	-	29,068	43,300
Recharges	25,000	-	-	25,000	14,259
Room hire	0	-	47,390	47,390	31,629
Cinemas	0	-	37,810	37,810	-
Recharge of Utilities	0	-	14,840	14,840	-
	<u>95,157</u>	<u>-</u>	<u>100,041</u>	<u>195,198</u>	<u>139,112</u>
Other trading activities					
Shop Income	28,777	-	-	28,777	34,528
Café income	9,983	-	-	9,983	-
	<u>38,760</u>	<u>-</u>	<u>-</u>	<u>38,760</u>	<u>34,528</u>
Investments					
Bank Interest Received	1,040	-	86	1,126	848
	<u>1,040</u>	<u>-</u>	<u>86</u>	<u>1,126</u>	<u>848</u>
Other					
Other income	1,249	-	265	1,514	5,924
	-	-	-	-	117
	<u>1,249</u>	<u>-</u>	<u>265</u>	<u>1,514</u>	<u>6,041</u>
Total income and endowments	356,820	165,360	113,120	635,300	554,800
Expenditure on:					
Costs of generating donations and legacies					
Purchases	14,067	2,852	-	16,919	16,702
	<u>14,067</u>	<u>2,852</u>	<u>-</u>	<u>16,919</u>	<u>16,702</u>
Total of expenditure on raising funds	14,067	2,852	-	16,919	16,702
<i>Charitable activities- Support costs</i>					
Recharges	-	-	25,000	25,000	-
Staff costs	156,791	130,736	-	287,527	147,548
Advertising & Marketing	18,392	729	-	19,121	14,697
Cleaning	4,668	-	5,280	9,948	8,074

The Silk Heritage Trust

Detailed Statement of Financial Activities

Repairs and Maintenance	74,845	4,624	59,819	139,288	10,055
Display, Programmes and exhibitions	0	17,221	-	17,221	16,568
Security	9,392	-	3,854	13,246	5,574
Travel	343	-	-	343	379
Insurance	21,519	-	-	21,519	17,460
Premises costs	28,362	325	25,581	54,268	38,687
Depreciation	10,554	-	3,950	14,504	14,663
<i>Charitable activities- Direct costs</i>					
Legal and professional	2,400	933	1,517	4,850	66,554
Bank Charges	1,225	-	111	1,336	879
Accountancy	15,905	-	-	15,905	15,550
Communications	3,718	-	-	3,718	4,101
Printing and stationery	680	-	-	680	639
Computer costs	9,915	548	-	10,463	7,739
Irrecoverable vat	9,488	-	-	9,488	12,897
General costs	713	-	-	713	169
	<u>368,911</u>	<u>155,116</u>	<u>125,112</u>	<u>649,138</u>	<u>382,233</u>
Governance costs					
	4,080	-	-	4,080	-
	<u>4,080</u>	<u>-</u>	<u>-</u>	<u>4,080</u>	<u>-</u>
Total of expenditure on charitable activities	372,991	155,116	125,112	653,218	382,233
General administrative costs, including depreciation and amortisation					
Depreciation of Land & Buildings	-	-	-	-	-
Depreciation of Fixtures, Fittings and Equipment	-	-	-	-	-
Depreciation of Paradise Mill Lease	-	-	-	-	-
Total expenditure	387,058	157,967	125,112	670,137	398,935
Net gains on investments	-	-	-	-	-
	<u>(30,238)</u>	<u>7,393</u>	<u>(11,991)</u>	<u>(34,837)</u>	<u>155,865</u>
Net (expenditure)/income					
Net (expenditure)/income before other gains/(losses)	(30,238)	7,393	(11,991)	(34,837)	155,865
Other Gains	-	-	-	-	-
	<u>(30,238)</u>	<u>7,393</u>	<u>(11,991)</u>	<u>(34,837)</u>	<u>155,865</u>
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward	1,176,554	27,588	309,070	1,513,212	1,357,347
Total funds carried forward	<u>1,146,316</u>	<u>34,981</u>	<u>297,079</u>	<u>1,478,375</u>	<u>1,513,212</u>

THE SILK HERITAGE TRUST

England & Wales - Charity number 519521

Accounts

Registered Company number 02182687 (England & Wales)
Registered Charity Number 519521

THE SILK HERITAGE TRUST
LINKED REPORT AND ACCOUNTS FOR THE YEAR ENDED
31ST MARCH 2024

BRIGHT PARTNERSHIP LIMITED
CHARTERED ACCOUNTANTS

THE SILK HERITAGE TRUST

Financial Statements for the year ended 31 March 2024

Contents	Page
Legal and Administrative Information	1 - 2
Report of the Trustees	3 - 9
Independent Auditor Report	10 - 12
Statement of Financial Activities	13
Balance Sheet	14
Notes forming part of the financial statements	15 - 25

Legal and Administrative Information

Company Name

The Silk Heritage Trust

Registered Office

The Heritage Centre

Roe Street

Macclesfield

Cheshire SK11 6UT

Registered Charity

No 519521

Company Registration

No 2182687

Governing Document

Articles of Association

Directors and Trustees

Mr John Varney (Chair)

Mr Nicholas Hynes (Resigned 7th December 2023)

Mr Roy Pownall

Ms Deborah Jones (Appointed 30th January 2024)

Ms Rebecca Medcalf (Appointed 30th January 2024)

Cllr Lesley Smetham (Resigned 26th October 2023)

Cllr Janet Jackson (Friends of Macclesfield Silk Heritage nominee)

Ms Hannah Williamson

Cllr Elizabeth Braithwaite (Resigned 26th October 2023, appointed 1st May 2024)

Mr Philip Cole

Ms Joanna Hayward

Ms Julie Griffiths

Mr Mike Ward

Museum Director

Emma Anderson

Company Secretary

Emma Anderson

Independent Auditors

Bright Partnership Limited
Chartered Accountants & Registered Auditors
1 Park Street
Macclesfield
Cheshire SK11 6SR

Payroll Consultants

Bright Partnership Limited

Bankers

The Co-operative Bank
1 Balloon Street
Manchester M60 4EP

Royal Bank of Scotland
36 St Andrews Square
Edinburgh EH2 2YB

National Westminster Bank
PO Box 65
2 Chestergate
Macclesfield Sk11 6BA

The full name of the Charity is the Silk Heritage Trust. Its registered office and principal operating address is The Heritage Centre, Roe Street, Macclesfield, Cheshire, SK11 6UT.

Constitution

The Company (The Trust) was incorporated on 23 October 1987 and is limited by guarantee with charitable status, and accordingly no distributions are allowed. The Trust, formerly known as the Macclesfield Museums Trust, was granted a uniting direction on 10 December 2008 which had the effect of uniting the Macclesfield Museums Trust with the Silk Heritage Trust Endowed Charity, formerly the Macclesfield Sunday School Heritage Centre Trust. A new body of trustees was formed which also serves corporately as the Trustees for the Endowed Charity.

The Trust is governed by the Articles of Association dated 10th September 2012, which replaced the Memorandum and Articles dated 10th December 2008.

The Board of Trustees shall consist of no less than **nine** and not more than eighteen members, unless the Members pass a Special Resolution to change these numbers. The Trustees have the power to appoint any person to be a Trustee, but the total number of Trustees shall not exceed the maximum of eighteen.

The Trustees, who are also Directors under Company law, who served during the year and subsequently are shown on page 1. None of the Trustees have any financial interest in the Company.

Trustee Induction and Training

New Trustees are given an Induction Pack which contains a briefing on their legal obligations under Charity and Company law, the Articles of Association, the committee and decision-making processes, the Business Plan and recent financial performance of the Company. Familiarisation visits are arranged, and Trustee training events are held, as necessary, to facilitate the undertaking of their role.

Organisation

The Board of Trustees administers the Charity. A Museum Director is appointed by the Trustees to manage the day-to-day operations of the Charity. The Board meets four times per annum, and the following sub-committees meet as shown:

Strategic Programme Board

Meets monthly to receive updates from the Director and progress reports from the Project Management team regarding the major grant funded projects. It submits quarterly reports to the Board of Trustees.

Objectives and Activities

The objects of the Trust are stated in the Memorandum and Articles as (1) the advancement of the education of the public by the provision of museum and ancillary facilities; and (2) and any other charitable purpose for the benefit of the public.

Financial Review

In this period the Silk Heritage Trust has made a surplus of £155,865 (2023 deficit of £109,822). Operationally The Silk Heritage Trust made a surplus of £110,419 (2023 deficit of £53,613). The reason for the surplus was grant funding received from NHMF of £152,113 in order to buy the Paradise Mill property lease, the expenditure for this is shown under fixed assets in the balance sheet. Without this, the unrestricted position of the Silk Museum at the end of the year would have been a deficit of £41,694. The Heritage Centre Trust made a surplus of £21,624 (2023 deficit of £10,809). The Silk Heritage Trust fulfilled many restricted responsibilities resulting in restricted funds carried forward to £27,558.

Priorities for the Trust going forward are to create a sustainable balance sheet with net reserves which will provide operational stability. The Net Assets on the Balance Sheet were increased from £1,357,346 to £1,513,212 being built up again through careful cost management and a proactive approach to diversifying income.

Principal Risks and Uncertainties

The Trustees have reviewed the major risks to which the Charity is exposed, particularly those related to the operations and finances of the Trust. The Trustees have given consideration to the appropriate policies, procedures and systems to mitigate the Charity's exposure to the major risks. The principal financial risk facing the Charity is the ability to generate sufficient income from charitable activities and external funding to cover expenditure incurred in fulfilling the objectives of the Charity.

Investment Powers and Policy

The Articles of Association of the Charity permit the Trustees to invest the moneys of the Company not immediately required for its objects in or upon such investments, securities or property as be thought fit.

The Trust's investments are currently restricted to UK banks and government bonds.

Reserves Policy

The Trustees aspire to retain three month's operating costs in reserve. As at 31st March 2024, the Charity's free reserves, as defined as unrestricted funds not represented by fixed assets had reached this amount only when including the reserves of the Endowed Trust Fund.

Chair's Report 2023-2024

I am pleased to deliver the Trustees' report for the year 2023 – 2024.

The Trust achieved a great deal in this period – resolving some long-standing issues that had held back development and proving successful with several substantial grant applications, further strengthening our ability to drive development of our offering.

At the same time, the Trust faced the same challenges as those experienced across cultural and heritage sector, many of which are still a hangover from the pandemic period exacerbated by cost-of living challenges – notably that visitors are still slow to return.

The Board has kept its focus on managing these challenges, building revenue streams, and ensuring that the museums deliver our purpose of reflecting the social and industrial heritage of Macclesfield. Our focus going into the year was on rebuilding income, reserves and audiences while recognising we had work to do on branding, communications, marketing, and our retail offering. We also had to address some significant challenges of our collections and buildings.

The work that the Trust had undertaken in clarifying our purpose and vision for our venues transformed our work, stream-lined the role and responsibilities of Trustees, and fed into our fundraising ambitions. The Trust continued to secure a range of grant investments from Trusts and Foundations, and to focus on the delivery of complex projects.

Governance

There were several changes to our Board during the year.

Following a review by Cheshire East Council of Councillor representation on Boards, Lesley Smetham stepped down after many years representing the Council. And we thank her for her long-standing support and commitment to the Board.

Additionally, Brendan Flanagan retired from Cheshire East Council and therefore his presence at the Board ceased. The Trustees thank him for his invaluable work in supporting the Trust.

We welcomed Deborah Jones, Rebecca Medcalfe and Cllr James Barber as new Trustees, bringing valuable legal and retail experience, important skills, and a strong connection to Macclesfield Town Council, all supporting us as the Trust expands its ambitions.

Carole Hyde, Head of Rural and Cultural Economy, CEC, joined the Board, representing the Council

As Vice Chair, Hannah Williamson has continued to make an invaluable contribution in our work towards Full Accreditation, as well as sharing best practice in collections and audience development. Working with fellow-Trustee Joanne Hayward and the Museum team, the Trust finally achieved Accreditation in November 2023, something we had been working towards for many years.

The Strategic Programme Board was established and operates with delegated powers to oversee the delivery of major projects. Chaired by Philip Cole, supported by Michael Ward and Roy Pownall, this group has provided invaluable guidance to the Director in delivering our varied programme.

The Trust continued to focus on strengthening Diversity in its make-up, operations, and activities; recognising the need to reflect the audiences and communities we serve. Our partner organisations in The Old Sunday School, particularly Pinc College and SUSO, continue to deliver vital creative education to neuro-diverse young people and to adults with multiple needs. The Silk Museum is establishing a close partnership with East Cheshire Eye Society to help inform how we develop our buildings, operations and offer. The Museum team are working with the local LGBTQ+ community and starting to develop links with Refugees Welcome.

I am grateful to our President, David Rutley, MP for Macclesfield up to the 2024 General Election, for his engagement and support of our work, our development plans and recognition of the Trust's key role in the town's recovery.

Financial management

Despite our ambitions and for the reasons mentioned in my introduction, management and monitoring of the Trust's financial position has been challenging through this period, due to the loss of substantial income streams. We are very grateful to our Accountants Heywood Shepherd for guidance and support in a series of ambitious funding applications and the development of our enterprises. We have recognised the need to rebuild our financial strength and stability, and the Board has made a number of difficult decisions to protect its reserves, where possible.

Despite our ambitions and for the reasons mentioned in my introduction, management and monitoring of the Trust's financial position has been challenging through this period, due to the loss of substantial visitor income streams and the financial issues faced by our partners and tenants in the Old Sunday School. We are very grateful to our Accountants Bright Partnership for support in a series of ambitious funding applications and for securing Exhibition Tax Relief. We have recognised the need to rebuild our financial strength and stability, and the Board has made difficult decisions to protect its reserves, where possible.

The Trust has benefitted from external fundraising support that has helped reposition the organisation's work with national funders and on behalf of the Board of Trustees, I would like to thank the Director and her team, who worked incredibly hard to secure grant funding from a wide range of sources.

The following grants secured, completed, or being delivered during 2023-24 are enabling the Trust to undertake a wide range of activity that would have otherwise been impossible:

- National Heritage Memorial Fund: Covid Recovery Grant - grant uplift received, representing a total award of £339,133
- Arts Council England Capital Investment Programme Grant – to significantly expand work on our Pattern Books store and create a Jacquard Studio, increasing public access to these outstanding collections - £165,000
- Radcliffe Trust Grant – to establish a Placement Programme to preserve heritage skills in Jacquard Handloom weaving, the conservation of industrial collections and develop public engagement - £5,000
- High Sheriff Fund – secured by the Friends of Macclesfield Silk Heritage in order to deliver a programme of free summer activities for families - £2,569.
- Macclesfield Town Council – two small grants towards the development of the Tunncliffe Garden and for outreach work with Ashgrove Primary School. Totalling £2,220; plus, an agreement to provide 3 year's revenue funding to support the Trust's development - £20,000 per year
- Heritage Compass – to develop contactless giving in the Museum and Mill - £5,000

The Trust also continued diverse fundraising through on-line donations, bookings and benefitting from small bequests.

Partnerships

Our strong relationship with Cheshire East Council continues to deliver a successful partnership and, as always, we are grateful for essential, ongoing revenue funding to support our work with the West Park collections and engaging local communities.

The Friends of Macclesfield Silk Heritage have remained an important source of support for the museum, particularly in providing match funding for grant applications and we thank them for their partnership. We have worked to raise the profile of the Friends through our new website.

Operations

The Old Sunday School

The Trust continues to develop its role as a landlord for the partners and tenants who occupy the spaces, ensuring that the entire property and individual partners' spaces in the building, help the Trust achieve the building's original social and educational purpose. The Trust worked with Pinc College and Scoop & Scales to expand and consolidate their work, and to provide a crucial role for local people.

The Trust continued to support the operations of our key partner Cinemac as it experienced the challenges of reduced cinema audiences and limited film production globally. The Director, Chair and the Trust's Accountant worked very closely with Cinemac to restructure its outstanding debt, and the organisation was able to repay this debt by the end of the financial year. This reflects a rebuilding of Cinemac's business model to programme live music and comedy events, however, we recognise that this is a fragile part of the overall UK economy, with significant local factors.

The Silk Museum and Paradise Mill

The biggest challenge for us was the closure of Paradise Mill for an extended period of time, whilst the extensive work was carried out on the roof, the passenger lift was reinstated, and new alarm systems were installed. As the central part of our visitor offer, this had a significant impact on audience numbers and visitor spend. We reconfigured the visitor offer in the Silk Museum to continue to provide visitors with insight into silk industry in the town. This helped to maintain numbers, and across the year we attracted 12,000 visitors – a modest increase on the previous year, although there was a 14% reduction in school visits.

It has resulted in the Trust acquiring a 125-year lease for the 3rd floor of Paradise Mill, and in turn this meant that the Trust could finally be awarded full Accredited status from Arts Council England. The Trust is grateful to Stormguard Limited (landlords of Paradise Mill) for the high quality of the work carried out on the building. The Trust was supported in this work by project managers Creative Heritage, working with Cymes heritage architects.

The Mill reopened to the public in February 2024, with a very successful launch event and significant press coverage. This raised the profile of the Mill, and we saw an immediate increase in visitors and group tours, with nearly 3,000 in two months.

Grant funding from the Radcliffe Trust will enable the Trust to bring Paradise Mill back to life as a working mill preserving the endangered craft of silk weaving, through opening up opportunities for young textile artists and volunteers to learn skills, preserve historic machinery and produce new creative work.

The Silk Museum's gallery spaces were closed to the public whilst we decanted the Pattern Book collections and undertook surface cleaning, up to January 2024. The Books were subsequently moved for short-term storage at the Old Sunday School, and this released the gallery spaces for local exhibitions.

This reinstated exhibition space has proved transformational in engaging with local artists and groups. We started the exhibition programme with a Spider Man exhibition, on loan from Kendal Comic Fest and presented by MaccPow. We saw a tremendous public response to this event, with over 1,000 visitors in two weeks, and also made connections with the University of Sheffield to explore spider silk.

West Park

The decant of collections was completed and all works were moved to improved storage, following surface cleaning, and wrapping. The Trust submitted a Notice to end the lease with Cheshire East Council for the West Park Museum building.

Staff & Volunteers

The Museum has benefitted from an increase in volunteering. The *Machines and Memories* project was concluded and revealed a range of stories about our industrial collections. History Hunters continued to document and explore the people stories in our Archives and textiles collections. The Art Society volunteers continued to work on the Jacquard point paper designs. The creation of the Tunnicliffe Garden was the work of a committed group of volunteers and also involved service users from Reach Out and Recover (ROAR) Macclesfield. The Garden now forms a key part of Macclesfield's Britain in Bloom displays.

The Museum and Mill continue to operate with a very small team of contracted staff plus the casual Education team and Mill Guides. Their commitment, dedication and enthusiasm for Macclesfield's heritage is one of the Trust's greatest assets and I would like to express my sincere thanks to the Director, Emma Anderson, her team, and everyone involved in continuing to make our museum an extraordinary asset to Macclesfield and beyond.

Looking forward, there are some changes in the next year, I will be stepping down from the Board in March 2025 after 9 years, as is good practice, but will be remaining a close friend of the Trust. Emma has also announced her intention to retire from the Trust during 2025 after 7 years of dedicated service to the work of the Museum. During this time, she has expanded our horizons and brought an enthusiasm and professionalism that has rebuilt the foundations of the Silk Heritage Trust. As this is my last annual report, I would like to thank her for her dedication, drive and determination, and for her support of myself and the Board of Trustees during some challenging but rewarding times.

The Trust will continue to grow and prosper and to mount engaging exhibitions and experiences guided by a strong Board of Trustees and delivered by our outstanding staff, volunteers and partners.

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company, and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

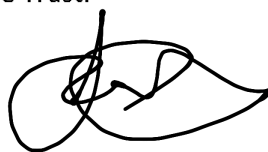
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the Special Provisions of part 15 of the Companies Act 2006 relating to small companies.

The Trustees' Report was approved by the Board and signed on its behalf by:

John Varney
Chair, Macclesfield Silk Heritage Trust.

29th December 2024



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE SILK HERITAGE TRUST**
Linked Financial Statements for the year ended 31 March 2024

Opinion

We have audited the financial statements of the Silk Heritage Trust for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its result, 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Conclusions relating to going concern

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

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE SILK HERITAGE TRUST
Linked Financial Statements for the year ended 31 March 2024**

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors 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 a Report of the Independent Auditors 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 based on 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, are detailed below:

Our approach to identifying and assessing the risks of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussions with trustees and management, and from our knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities SORP FRS102, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation);
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE SILK HERITAGE TRUST
Linked Financial Statements for the year ended 31 March 2024**

We assessed the susceptibility of the company's financial statements to material misstatements, 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;
- 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 controls, we:

- Performed analytical procedures to identify any unusual or expected relationships;
- Investigate 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 minutes of meetings of those charged with governance;
- enquiring of management as to actual potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from errors as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr M Senior FCA (Senior Statutory Auditor)
for and on behalf of
Bright Partnership Limited
Statutory Auditor
1 Park Street
Macclesfield
SK11 6SR

Date: 29th December 2024

THE SILK HERITAGE TRUST

Statement of Financial Activities including Income and Expenditure Account for the year ended 31 March 2024

	Notes	Silk Heritage Trust		Silk Heritage Trust Endowed Charity		Silk Heritage Trust		Silk Heritage Trust Endowed Charity		Total Funds 2023	Total Funds 2023
		Unrestricted Funds 2024	Restricted Funds 2024	Unrestricted Funds 2024	Restricted Funds 2024	Unrestricted Funds 2023	Restricted Funds 2023	Unrestricted Funds 2023	Restricted Funds 2023		
		£	£	£	£	£	£	£	£		
Income											
Donations and Legacies											
Donations	2	7,201	-	1,164	8,365	7,762	-	1,304	9,066		
Grants	3	312,481	53,425	-	365,906	119,056	29,873	40,832	189,761		
Income from charitable activities:											
Fees	4	55,848	-	89,304	145,152	52,301	-	82,112	134,413		
Income from other trading activities:											
Shop income		34,528	-	-	34,528	27,485	-	-	27,485		
Investment income	5	745	-	103	848	268	-	40	308		
TOTAL INCOME		410,803	53,425	90,572	554,800	206,872	29,873	124,288	367,033		
Expenditure											
Costs of raising funds											
Fundraising and trading: cost of goods sold and other costs		16,702	-	-	16,702	11,577	-	-	11,577		
Charitable activities		283,682	29,603	68,947	382,232	248,908	75,273	135,097	459,278		
TOTAL EXPENDITURE	6	300,384	29,603	68,947	398,934	260,485	75,273	135,097	470,855		
Net income/expenditure		110,419	23,822	21,624	155,865	(53,613)	(45,400)	(10,809)	(109,822)		
Transfers between funds											
NET MOVEMENT IN FUNDS		110,419	23,822	21,624	155,865	(53,613)	(45,400)	(10,809)	(109,822)		
Reconciliation of funds											
Total funds brought forward		1,066,135	3,766	287,446	1,357,347	1,119,748	49,166	298,254	1,467,168		
TOTAL FUNDS CARRIED FORWARD		1,176,554	27,588	309,070	1,513,212	1,066,135	3,766	287,445	1,357,346		

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities. The notes on pages 15 to 25 form part of these accounts.

THE SILK HERITAGE TRUST

Balance Sheet as at 31 March 2024

		Silk Heritage Trust			Silk Heritage Trust		
		Silk Heritage Trust	Endowed Charity	Total	Silk Heritage Trust	Endowed Charity	Total
		2024	2024	2024	2023	2023	2023
Notes		£	£	£	£	£	£
Fixed Assets							
	12	1,172,030	140,608	1,312,638	1,030,630	144,558	1,175,188
	13	-	202	202	-	202	202
		<u>1,172,030</u>	<u>140,810</u>	<u>1,312,840</u>	<u>1,030,630</u>	<u>144,760</u>	<u>1,175,390</u>
Current Assets							
	14	3,751	-	3,751	3,890	-	3,890
	15	15,411	60,511	75,922	26,543	99,361	125,904
		<u>126,821</u>	<u>113,824</u>	<u>240,645</u>	<u>89,168</u>	<u>63,152</u>	<u>152,320</u>
		<u>145,983</u>	<u>174,335</u>	<u>320,318</u>	<u>119,601</u>	<u>162,513</u>	<u>282,114</u>
	16	113,871	6,075	119,946	80,330	19,828	100,158
		<u>32,112</u>	<u>168,260</u>	<u>200,372</u>	<u>39,271</u>	<u>142,685</u>	<u>181,956</u>
		<u>1,204,142</u>	<u>309,070</u>	<u>1,513,212</u>	<u>1,069,901</u>	<u>287,445</u>	<u>1,357,346</u>
		<u>1,204,142</u>	<u>309,070</u>	<u>1,513,212</u>	<u>1,069,901</u>	<u>287,445</u>	<u>1,357,346</u>
Charity Funds							
		1,176,554	309,070	1,485,624	1,066,135	287,445	1,353,580
		27,588	-	27,588	3,766	-	3,766
	18 & 19	<u>1,204,142</u>	<u>309,070</u>	<u>1,513,212</u>	<u>1,069,901</u>	<u>287,445</u>	<u>1,357,346</u>

These financial statements have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS 102 SORP.

The financial statements were approved and authorised for issue by the trustees on the 29th December 2024 and signed on their behalf by:

John Varney - Trustee



The notes on pages 15 to 25 form part of these accounts.

1. ACCOUNTING POLICIES

a) Basis of preparation and assessment of going concern

The financial statements of the charitable company, which is a public benefit entity under FRS102, have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP FRS102 – effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments, which are included at market value as modified by the revaluation of certain assets.

The Silk Heritage Trust, formally known as Macclesfield Museums Trust has been granted a Uniting Direction by the Charities Commission . The effect of this is that these accounts must also report on the financial activities of The Silk Heritage Endowed Charity, formerly known as Macclesfield Sunday School Heritage Centre Trust.

The Trustees are of a view that there are no material uncertainties about the Trust's ability to continue as a going concern.

The trust received government grants totalling £106,000 in the year towards the provision of Museum Services.

The financial statements are prepared in sterling which is also the functional currency of the trust, rounded to the nearest pound.

b) Company status

The trust is a company limited by guarantee and therefore has no share capital and was incorporated in England and Wales.

c) 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 trust 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 trust for particular purposes.

The aim and use of each restricted fund is set out in the notes to the financial statements.

d) Incoming resources and debtors

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of incoming resources can be measured reliably. Income from grants is recognised when the charity has entitlement to the funds, conditions have been met, is probable to be received and can be measured reliably.

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

e) Resources expended and creditors

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Fundraising costs are those incurred in seeking voluntary contributions. Management and administration costs are those in connection with administration of the charity and compliance with the constitutional and statutory requirements.

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2024 - continued

1. ACCOUNTING POLICIES (continued)

f) Tangible fixed assets and depreciation

Tangible Fixed Assets are stated at cost.

Depreciation is provided on Buildings and Fixtures, Fittings and Equipment on a straight line basis over the expected useful lives of the assets concerned. The rates used for this purpose are:

	<u>Period (years)</u>
Fixtures and Fittings	10
Buildings	50
Leasehold	period of the lease

The Museum's exhibits are not represented in the balance sheet.

The depreciation on buildings is included at 2% of the difference between the current market value and the original cost.

Artefacts purchased by the Museum are not capitalised but are treated as expenditure in the SOFA in the period in which it occurred.

g) Heritage costs

The original land and buildings of the Macclesfield Sunday School were transferred to the Silk Heritage Trust Endowed Charity by a trust deed dated 31 October 1981. The property is a Grade II listed building. It was built in 1813 for the recreation and education of the local community. The charity uses the property to fulfil its objectives by providing rooms for recreational and educational facilities.

The property has not been capitalised as the original cost is unavailable and onerous costs would have to be incurred for the property to be reliably valued. It is also owned as specie property under an Endowed Trust as a Historic asset.

h) Stock

Stock is represented by shop goods for resale which are stated at the lower of cost or net realisable value. Provision has been made where it is considered that stock is obsolete or slow moving.

i) Pension costs

The company operates a work place pension scheme which is a defined contributions scheme with the Peoples Pension. Contributions payable for the year are charged to the SOFA.

j) Investments

Listed investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

k) 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.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2024 - continued

	Silk Heritage Trust		Silk Heritage Trust Endowed Charity		Silk Heritage Trust Unrestricted Funds		Silk Heritage Trust Restricted Funds		Silk Heritage Trust Unrestricted Funds		Total Funds	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
£	£	£	£	£	£	£	£	£	£	£	£	£
7,201	-	-	1,164	-	8,365	7,762	-	-	1,304	-	9,066	9,066
7,201	-	-	1,164	-	8,365	7,762	-	-	1,304	-	9,066	9,066

2. DONATIONS AND LEGACIES

Donations	7,201	-	1,164	-	8,365	7,762	-	-	1,304	-	9,066	9,066
	7,201	-	1,164	-	8,365	7,762	-	-	1,304	-	9,066	9,066

3. GRANTS

Cheshire East Council	106,000	5,000	-	-	111,000	86,000	20,000	-	-	-	106,000	106,000
Art Fund	-	-	-	-	-	-	3,000	-	-	-	3,000	3,000
Arts Council	-	2,569	-	-	2,569	4,983	-	-	-	-	4,983	4,983
Association of Industrial Archeology	-	5,144	-	-	5,144	10,277	-	-	-	-	10,277	10,277
Macclesfield Town Council	-	2,220	-	-	2,220	315	2,200	-	-	-	2,515	2,515
University of Manchester	-	3,200	-	-	3,200	-	4,873	-	-	-	4,873	4,873
Friends of Macclesfield Silk Heritage	-	4,000	-	-	4,000	7,481	-	-	-	-	7,481	7,481
NHM ²	205,451	-	-	-	205,451	10,000	-	-	-	-	10,000	10,000
Cheshire East Council West Park	-	17,000	-	-	17,000	-	-	-	-	-	-	-
Headley Fellowship	-	700	-	-	700	-	-	-	-	-	-	-
Architectural Heritage Fund	1,030	-	-	-	1,030	-	-	-	-	40,832	40,832	40,832
Heritage Compass	-	4,992	-	-	4,992	-	-	-	-	-	-	-
Radcliffe Trust	-	5,000	-	-	5,000	-	-	-	-	-	-	-
AIM Brighter Day	-	3,600	-	-	3,600	-	-	-	-	-	-	-
	312,481	53,425	-	-	365,906	119,056	29,873	-	-	40,832	189,761	189,761

Grant funding of £152,113 was received in the year from NHMF to purchase the property lease of the Paradise Mill. The expenditure incurred by the trust for this is included in Fixed Assets on the balance sheet.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2024- continued

	Silk Heritage Trust Unrestricted Funds		Silk Heritage Trust Restricted Funds		Silk Heritage Trust Endowed Charity Unrestricted Funds		Silk Heritage Trust Unrestricted Funds		Silk Heritage Trust Restricted Funds		Silk Heritage Trust Endowed Charity Unrestricted Funds		Total Funds	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Museum fees	49,924	-	-	49,924	49,083	-	-	-	-	-	-	-	-	49,083
Function room hire	-	-	43,300	43,300	-	-	-	-	-	-	40,622	40,622	-	40,622
Recharges	-	-	14,259	14,259	-	-	-	-	-	-	14,762	14,762	-	14,762
Auditorium hire	-	-	31,629	31,629	-	-	-	-	-	-	26,479	26,479	-	26,479
Other income	5,924	-	117	6,041	3,218	-	249	3,467	-	-	-	-	249	3,467
	55,848	-	89,304	145,152	52,301	-	82,112	134,413	-	-	82,112	134,413	-	134,413

4. FEES

The Silk Heritage Trust has recharged certain establishment costs incurred on behalf of the Silk Heritage Trust Endowed Charity.

5. INVESTMENT INCOME

Bank interest received	745	-	103	848	268	-	40	308
	745	-	103	848	268	-	40	308

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2024 - continued

6. TOTAL RESOURCES EXPENDED

	Silk Heritage Trust 2024			Silk Heritage Trust Endowed Charity 2024			Silk Heritage Trust 2023			Silk Heritage Trust Endowed Charity 2023		
	Unrestricted Funds		Restricted Funds	Unrestricted Funds		Charitable Activities	Unrestricted Funds		Restricted Funds	Unrestricted Funds		TOTAL
	Fundraising & trading	Charitable Activities	Charitable Activities	Fundraising & trading	Charitable Activities	Charitable Activities	Fundraising & trading	Charitable Activities	Charitable Activities	Charitable Activities	Charitable Activities	TOTAL
£	£	£	£	£	£	£	£	£	£	£	£	
Costs directly allocated to activities												
Staff costs	-	122,548	-	-	25,000	-	147,548	-	103,006	31,395	25,000	159,401
Advertising	-	14,592	-	-	105	-	14,697	-	19,935	4,732	-	24,667
Travel	-	379	-	-	-	-	379	-	968	-	-	968
Goods for resale	16,702	-	-	11,577	-	-	16,702	-	-	-	-	11,577
Display and Exhibition costs	-	2,955	13,613	-	-	-	16,568	-	-	17,115	-	17,115
Premises expenses	-	17,014	-	-	21,673	-	38,687	-	25,720	-	27,976	53,696
Insurances	-	17,460	-	-	-	-	17,460	-	15,353	-	-	15,353
Cleaning	-	3,537	-	-	4,537	-	8,074	-	2,317	-	4,807	7,124
Security	-	1,150	-	-	4,424	-	5,574	-	3,930	-	1,936	5,866
Equipment maintenance	-	-	-	-	2,141	-	2,141	-	-	-	7,431	7,431
Repairs and renewals	-	5,904	-	-	2,010	-	7,914	-	4,537	3,500	6,937	14,994
Bad debt	-	-	-	-	-	-	-	-	-	-	556	556
Depreciation	-	10,713	-	-	3,950	-	14,663	-	10,619	-	3,950	14,569
Support costs allocated to activities												
Irrecoverable VAT	-	12,897	-	-	-	-	12,897	-	10,626	-	-	10,626
Audit fee	-	3,600	-	-	-	-	3,600	-	3,500	-	-	3,500
Administrative & finance	-	11,950	-	-	-	-	11,950	-	15,383	-	-	15,383
Legal & Professional fees	-	45,456	15,990	-	5,108	-	66,554	-	13,354	18,531	56,407	88,292
Communications	-	4,101	-	-	-	-	4,101	-	3,983	-	-	3,983
Printing and stationery	-	639	-	-	639	-	639	-	971	-	-	971
Computer costs	-	7,739	-	-	-	-	7,739	-	9,238	-	-	9,238
Bank charges	-	879	-	-	-	-	879	-	650	-	-	650
General expenses	-	169	-	-	-	-	169	-	4,818	-	77	4,895
Total resources expended	16,702	283,682	29,603	11,577	65,947	29,603	398,934	248,908	75,273	135,097	470,855	

The basis of cost allocation is all direct.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2024 - continued

Silk Heritage Trust	Silk Heritage Trust Endowed Charity	Silk Heritage Trust	Silk Heritage Trust Endowed Charity
2024	2024	2023	2023
£	£	£	£

7. NET INCOMING RESOURCES

This is stated after charging:

Depreciation	10,713	3,950	10,619	3,950
Audit fee	1,950	1,650	1,900	1,600
Other finance and accountancy fees	11,950	-	15,383	-

8. STAFF COSTS AND NUMBERS

Staff costs were as follows:

Salaries and wages	117,732	25,000	128,540	25,000
Social security costs	3,391	-	4,325	-
Employers pension contributions	1,425	-	1,536	-
Total	122,548	25,000	134,401	25,000

The average monthly head count was 18 staff (2023 - 23) and the average monthly number of full time employees during the year, was as follows.

	2024 Number	2023 Number
Management and administration	1	1
Fundraising	1	1
Charitable activities	5	6
	<u>7</u>	<u>8</u>

Approximately 20% of unrestricted staffing costs relate to the operation of the Endowed Charity.

No Employees had employee benefits in excess of £60,000 (2023 - none).

The management of the combined trust is the duty of the trustees who are unpaid.

9. TRUSTEE REMUNERATION & RELATED PARTY TRANSACTIONS

No members of the Board of Trustees (Directors) received any remuneration or expenses during the year.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during this year or the previous year.

The Macclesfield Museum Trust, now known as The Silk Heritage Trust and Macclesfield Sunday School Heritage Centre Trust, have been granted a Uniting Direction. The Endowed Charity provides rent free accommodation to The Silk Heritage Trust in return for shared expenses. At the year end, the net debt owing from the Silk Museum to the Heritage Centre was £45,196 (2023- £41,336)

10. TAXATION

As a charity, The Silk Heritage Trust is exempt from tax on income and gains falling within s505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2024 - continued

11. PENSION SCHEME

The trust made contributions to the work place pension scheme with Peoples Pension for 9 employees totalling £1,333 (2023 - £1,536)

12. TANGIBLE FIXED ASSETS

The Silk Heritage Trust

	Land & Buildings	Fixtures, Fittings & Equipment	Paradise Mill Lease	Total
Cost	£	£		£
At 1 April 2023	1,202,215	122,187	-	1,324,402
Additions	-	-	152,113	152,113
At 31 March 2024	<u>1,202,215</u>	<u>122,187</u>	<u>152,113</u>	<u>1,476,515</u>
Depreciation				
At 1 April 2023	171,585	122,187	-	293,772
Charge for the Year	9,500	-	1,213	10,713
At 31 March 2024	<u>181,085</u>	<u>122,187</u>	<u>1,213</u>	<u>304,485</u>
Net book values				
At 31 March 2024	<u>1,021,130</u>	-	150,900	<u>1,172,030</u>
At 31 March 2023	<u>1,030,630</u>	-	-	<u>1,030,630</u>

The value of Land and Buildings consists of the Museum at Park Green. The development of this site was funded to a large extent by the National Lottery Heritage Fund. The conditions of the funding stipulated that if the building was ever to be sold, a percentage of the grant given of £600,000 would have to be repaid.

The Silk Heritage Trust Endowed Fund

	Building	Fixtures & Fittings	Total
Cost	£	£	£
At 1 April 2023	309,111	105,737	414,848
At 31 March 2024	<u>309,111</u>	<u>105,737</u>	<u>414,848</u>
Depreciation			
At 1 April 2023	166,495	103,795	270,290
Charge for the Year	3,300	650	3,950
At 31 March 2024	<u>169,795</u>	<u>104,445</u>	<u>274,240</u>
Net book values			
At 31 March 2024	<u>139,316</u>	1,292	<u>140,608</u>
At 31 March 2023	<u>142,616</u>	<u>1,942</u>	<u>144,558</u>

The building represents renovations and additions to the land and buildings of the Macclesfield Heritage Centre.

The original land and buildings of the Macclesfield Heritage Centre were transferred to the trust by the Trust Deed dated 31st October 1981 and have not been included in the fixed assets.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2024 - continued

13. INVESTMENTS

	2024 Nominal Value	2024 Market Value	2023 Nominal Value	2023 Market Value
	£	£	£	£
Silk Heritage Trust Endowed Charity				
City of Manchester 3%	371	202	371	202
	<u>371</u>	<u>202</u>	<u>371</u>	<u>202</u>

14. STOCK	Silk Heritage Trust 2024	Silk Heritage Trust Endowed Charity 2024	Total 2024	Silk Heritage Trust 2023	Silk Heritage Trust Endowed Charity 2023	Total 2023
	£	£	£	£	£	£
Shop goods for resale	3,751	-	3,751	3,890	-	3,890

15. DEBTORS

Trade debtors & Prepayments	9,584	15,315	24,899	16,543	49,631	66,174
Other debtor	5,827	-	5,827	10,000	-	10,000
Silk Heritage Trust	-	45,196	45,196	-	41,336	41,336
Taxation and Social Security	-	-	-	-	8,394	8,394
	<u>15,411</u>	<u>60,511</u>	<u>75,922</u>	<u>26,543</u>	<u>99,361</u>	<u>125,904</u>

16. CREDITORS: Amounts falling due within one year

Trade creditors and Accruals	66,294	5,341	71,635	34,392	19,828	54,220
Silk Heritage endowed trust	45,196	-	45,196	41,336	-	41,336
Taxation and Social Security	2,381	734	3,115	4,602	-	4,602
	<u>113,871</u>	<u>6,075</u>	<u>119,946</u>	<u>80,330</u>	<u>19,828</u>	<u>100,158</u>

17 SHARE CAPITAL

The company is incorporated under the Companies Act 2006 and is limited by guarantee and therefore does not have a share capital.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2024 - continued

18. STATEMENT OF FUNDS

	<i>Balance at 31st March 2023</i>	Incoming Resources	Outgoing Resources	Transfer between Funds	Balance at 31st March 2024
	£	£	£	£	£
Unrestricted Funds					
The Silk Heritage Trust	1,066,135	410,803	(300,384)	-	1,176,554
The Silk Heritage Trust Endowed Charity	287,445	90,572	(68,947)	-	309,069
Total Unrestricted Funds	1,353,580	501,375	(369,331)	-	1,485,623
Restricted Funds					
The Silk Heritage Trust					
Hedley Fellowship	3,766	700	(4,466)	-	-
AiA Restoration grant	-	5,144	(5,144)	-	-
CEC West Park	-	17,000	(8,754)	-	8,246
Heritage Compass	-	4,992	(150)	-	4,842
High Sheriff	-	2,569	(2,569)	-	-
Radcliffe Grant	-	5,000	-	-	5,000
Manchester University Oral History grant	-	1,200	(1,200)	-	-
Manchester University Audience Development grant	-	2,000	(1,100)	-	900
Town Council Ash Grove School	-	1,720	(1,720)	-	-
Macclesfield Town Council Garden	-	500	(500)	-	-
AIM Brighter Day	-	3,600	-	-	3,600
CEC NHMF Match	-	5,000	(2,500)	-	2,500
Friends NHMF Match	-	4,000	(1,500)	-	2,500
Total Restricted Funds	3,766	53,425	(29,603)	-	27,588
TOTAL FUNDS	1,357,346	554,800	(398,934)	-	1,513,211

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2024 - continued

18 STATEMENT OF FUNDS (continued)

Unrestricted Funds

The Silk Heritage Trust - These represent the accumulated unrestricted general funds of the Trust.

The Silk Heritage Trust Endowed Fund - These represent the accumulated unrestricted general funds of the Endowed Charity

Restricted Funds

During the financial year 2023-24 the Silk Heritage Trust worked with restricted funds from a range of sources:-

The Headley Fellowships with Art Fund aims to encourage collections-focused projects by developing and preserving specialist curatorial skills and expertise in regional museums, enabling knowledge to be shared as widely as possible across the sector. The Fellowship was awarded to Kathryn Warburton.

The Association for Industrial Archaeology, AIA, grants are been given for industrial heritage restoration projects.

The CEC West Park grant was for the conservation work on the West Park Collections and was expensed in the year.

The Heritage Compass grant was received to develop contactless giving in the Museum and Mill.

The High Sheriff Grant was secured by The Friends of Macclesfield in order to deliver free summer activities for families.

The Radcliffe Grant is to be used to establish a Placement Programme to preserve heritage skills in Jacquard Handloom weaving, conservation of industrial collections and develop public engagement and is unspent.

Grants from the University of Manchester were awarded for an Oral History and Audience Development and have been fully

Macclesfield Town Council made two small grants were used for the development of the Tunnicliffe Garden and outreach work with Ashgrove Primary School.

The AiM Brighter Day grant was for the development of the Children's wear collections.

The Cheshire East Council and Friends grants are matched funding with the National Heritage Memorial Fund for the protection of the heritage buildings.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2024 - continued

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	2024
	£	£	£
The Silk Heritage Trust			
Tangible Fixed Assets	1,172,030	-	1,172,030
Net Current assets	4,524	27,588	32,112
	<u>1,176,554</u>	<u>27,588</u>	<u>1,204,142</u>
The Silk Heritage Trust Endowed Charity			
Tangible Fixed Assets	140,608	-	140,608
Investments	202	-	202
Net Current Assets	168,260	-	168,260
	<u>309,070</u>	<u>-</u>	<u>309,070</u>

20 INTER TRUST LOAN

As at the balance sheet date the inter trust loan outstanding was £45,196 owing to the Endowed Charity by the Silk Heritage Trust.

THE SILK HERITAGE TRUST

England & Wales - Charity number 519521

Accounts

Registered Company number 02182687 (England & Wales)
Registered Charity Number 519521

THE SILK HERITAGE TRUST
LINKED REPORT AND ACCOUNTS FOR THE YEAR ENDED
31ST MARCH 2023

BRIGHT PARTNERSHIP LIMITED
CHARTERED ACCOUNTANTS

THE SILK HERITAGE TRUST

Financial Statements for the year ended 31 March 2023

Contents	Page
Legal and Administrative Information	1 - 2
Report of the Trustees	3 - 9
Independent Auditor Report	10 - 12
Statement of Financial Activities	13
Balance Sheet	14 - 15
Notes forming part of the financial statements	16 - 26

Legal and Administrative Information

Company Name

The Silk Heritage Trust

Registered Office

The Heritage Centre
Roe Street
Macclesfield
Cheshire SK11 6UT

Registered Charity

No 519521

Company Registration

No 2182687

Governing Document

Articles of Association

Directors and Trustees

Mr John Varney (Chair)

Mr Nicholas Hynes (Resigned 7th December 2023)

Mr Roy Pownall

Ms Catherine Dewar (Resigned 23rd June 2022)

Cllr Lesley Smetham (Resigned 26th October 2023)

Cllr Janet Jackson (Friends of Macclesfield Silk Heritage nominee)

Ms Hannah Williamson

Cllr Elizabeth Braithwaite (Resigned 26th October 2023)

Mr Philip Cole

Ms Joanna Hayward (Appointed 27th June 2022)

Ms Julie Griffiths (Appointed 27th June 2022)

Mr Mike Ward (Appointed 27th June 2022)

Museum Director (Interim)

Emma Anderson

Company Secretary

Emma Anderson

Independent Auditors

Bright Partnership Limited
Chartered Accountants & Registered Auditors
1 Park Street
Macclesfield
Cheshire SK11 6SR

Payroll Consultants

Bright Partnership Limited

Bankers

The Co-operative Bank
1 Balloon Street
Manchester M60 4EP

Royal Bank of Scotland
56 Chestergate
Macclesfield SK11 6BA

National Westminster Bank
PO Box 65
2 Chestergate
Macclesfield Sk11 6BA

The full name of the Charity is the Silk Heritage Trust. Its registered office and principal operating address is The Heritage Centre, Roe Street, Macclesfield, Cheshire, SK11 6UT.

Constitution

The Company (The Trust) was incorporated on 23 October 1987 and is limited by guarantee with charitable status, and accordingly no distributions are allowed. The Trust, formerly known as the Macclesfield Museums Trust, was granted a uniting direction on 10 December 2008 which had the effect of uniting the Macclesfield Museums Trust with the Silk Heritage Trust Endowed Charity, formerly the Macclesfield Sunday School Heritage Centre Trust. A new body of trustees was formed which also serves corporately as the Trustees for the Endowed Charity.

The Trust is governed by the Articles of Association dated 10th September 2012, which replaced the Memorandum and Articles dated 10th December 2008.

The Board of Trustees shall consist of no less than **nine** and not more than eighteen members, unless the Members pass a Special Resolution to change these numbers. The Trustees have the power to appoint any person to be a Trustee, but the total number of Trustees shall not exceed the maximum of eighteen.

The Trustees, who are also Directors under Company law, who served during the year and subsequently are shown on page 1. None of the Trustees have any financial interest in the Company.

Trustee Induction and Training

New Trustees are given an Induction Pack which contains a briefing on their legal obligations under Charity and Company law, the Articles of Association, the committee and decision-making processes, the Business Plan and recent financial performance of the Company. Familiarisation visits are arranged, and Trustee training events are held, as necessary, to facilitate the undertaking of their role.

Organisation

The Board of Trustees administers the Charity. A Museum Director is appointed by the Trustees to manage the day-to-day operations of the Charity. The Board meets four times per annum, and the following sub-committees meet as shown:

Property Committee

Meets six times per annum and acts as a review and advisory committee to the Board in the areas of commercialisation, development, maintenance and management of the Trust's property portfolio; including managing risk, strategy, planning and major projects.

Objectives and Activities

The objects of the Trust are stated in the Memorandum and Articles as (1) the advancement of the education of the public by the provision of museum and ancillary facilities; and (2) and any other charitable purpose for the benefit of the public.

Financial Review

In this period the Silk Heritage Trust has made a deficit of £109,822 (2022 surplus of £42,633). Operationally The Silk Heritage Trust made a deficit of £52,613 (2022 surplus of £20,246) and the Heritage Centre Trust made a deficit of £10,809 (2022 surplus of £26,140). The Silk Heritage Trust fulfilled many restricted responsibilities reducing restricted funds carried forward to £3,766.

Priorities for the Trust going forward are to create a sustainable balance sheet with net reserves which will provide operational stability. The Net Assets on the Balance Sheet were reduced from £1,467,168 to £1,357,346 but being built up again through careful cost management and a proactive approach to diversifying income.

Principal Risks and Uncertainties

The Trustees have reviewed the major risks to which the Charity is exposed, particularly those related to the operations and finances of the Trust. The Trustees have given consideration to the appropriate policies, procedures and systems to mitigate the Charity's exposure to the major risks. The principal financial risk facing the Charity is the ability to generate sufficient income from charitable activities and external funding to cover expenditure incurred in fulfilling the objectives of the Charity.

Investment Powers and Policy

The Articles of Association of the Charity permit the Trustees to invest the moneys of the Company not immediately required for its objects in or upon such investments, securities or property as be thought fit.

The Trust's investments are currently restricted to UK banks and government bonds.

Reserves Policy

The Trustees aspire to retain three month's operating costs in reserve. As at 31st March 2023, the Charity's free reserves, as defined as unrestricted funds not represented by fixed assets had reached this amount.

Chair's Report 2022-2023

I am pleased to report on the performance of the Silk Heritage Trust for the year 2022 – 2023. It had been our hope that, post-covid restrictions, we would see a return of visitors to previous years' levels. However, this was not to be and we continue to face challenges from the ongoing ramifications of the pandemic. This has been compounded by the impact of the cost-of-living crisis. This has particularly adversely affected group visits and international visitors during the year. Additionally, we have also seen the operational costs of the organisation rise. Despite these challenges, the Trust has focussed on implementing an ambitious development vision across its sites.

Overview

Going into 2022-23, the Trust set out to build on our achievements of the previous five years. In that period, we moved from a position of financial insecurity to ending 21/22 in a significantly stronger position due to a programme of cost reduction, coupled with considerable success with grant funding applications.

Our focus going into the year was on rebuilding income, reserves and audiences while recognising we had work to do on branding, communications, marketing and our retail offering. The latter action was particularly ambitious as it was clear we needed to increase the secondary spending of visitors.

The work that the Trust had undertaken in clarifying our purpose and vision for our venues transformed our work, stream-lined the role and responsibilities of Trustees, and fed into our fundraising ambitions.

The Trust secured its largest grant investment in many years, with a generous award of £309,000, subsequently raised to £340,000, from the National Heritage Memorial Fund. This level of funding allows the Trust to make a series of substantial developments across its property portfolio, particularly in securing a 125-year Lease for Paradise Mill, which will transform our vision for future.

Governance

Catherine Dewar, Vice Chair, stepped down from the Board, and the Board wishes to thank her for her valuable efforts in supporting the work of the Trust.

We welcomed Michael Ward, Joanne Hayward, and Julie-Anne Griffiths as new Trustees, bringing valuable experience in enterprise, collections and audience development. These are important as the Trust expands its ambitions.

As the new Vice Chair, Hannah Williamson made an invaluable contribution in our work towards Full Accreditation, as well as sharing best practice in collections and audience development. Working with fellow-Trustee Joanne Hayward and the Museum team, the Trust finally achieved Accreditation in November 2023.

As a result of substantial project funding, the Chair instituted a Programme Board with delegated powers to oversee the delivery of major projects. Chaired by Philip Cole, supported by Michael Ward and Roy Pownall, the Director reports to this Board monthly.

The Trust continued to focus on strengthening Diversity in its make-up, operations, and activities; recognising the need to reflect the audiences and communities we serve. Our partner organisations in The Old Sunday School, particularly Pinc College and SUSO, continue to deliver vital creative education to neuro-diverse young people and to adults with multiple needs. The Silk Museum is establishing a close partnership with East Cheshire Eye Society to help inform how we develop our buildings, operations and offer. The Museum team are working with the local LGBTQ+ community and starting to develop links with Refugees Welcome.

I am grateful to our President, David Rutley, MP, for his engagement and support of our work, our development plans and recognition of the Trust's key role in the town's recovery.

Financial management

Despite our ambitions and for the reasons mentioned in my introduction, management and monitoring of the Trust's financial position has been challenging through this period, due to the loss of substantial income streams. We are very grateful to our Accountants Heywood Shepherd for guidance and support in a series of ambitious funding applications and the development of our enterprises. We have recognised the need to rebuild our financial strength and stability, and the Board has made a number of difficult decisions to protect its reserves, where possible.

The Trust has benefitted greatly from external fundraising support that has helped reposition the organisation's work with national funders and on behalf of the Board of Trustees, I would like to thank the Director and her team, who worked incredibly hard to secure grant funding from a wide range of sources.

The following grants secured or completed during 2022-23 are enabling the Trust to undertake a wide range of activity that would have otherwise been impossible:

- National Heritage Memorial Fund: Covid Recovery Grant to support acquisition of 125-year lease of Paradise Mill; to improve the environmental conditions of the Pattern Books; and to continue the repair of the Old Sunday School windows.
- Architectural Heritage Fund: Project Development grant to support the next phase for the development of the Old Sunday School, has produced an imaginative and transformational vision for the building, particularly its auditorium, as a key heritage, education, and entertainment centre, contributing to the long-term regeneration of the town centre.
- Association for Industrial Archaeology: Grant to support the restoration of Paradise Mill looms, which has resulted in significant skills' development by the team, as well as bringing one of the looms back into creative use.
- Association of Independent Museums: Hallmarks Award to support partnership working with East Cheshire Eye Society, to raise awareness of the heritage of visual impairment in Macclesfield. Part of this grant supported Visual Impairment Awareness training programme, for staff, volunteers, and Trustees.
- Museum Development North West: Green Museums Grant, to increase understanding of energy data – working with energy consultant across whole property portfolio.
- Museum Development North West – Sustainable Improvement Grant for staff training
- Community and Arts smaller funders: Support for Heritage Open Days and a Warm Places offer for vulnerable residents.

The Trust also continued diverse fundraising through on-line donations, bookings and benefitting from small bequests.

Partnerships

Our strong relationship with Cheshire East Council continues to deliver a successful partnership and, as always, we are grateful for essential, ongoing revenue funding to support our work with the West Park collections and engaging local communities.

The Friends of Macclesfield Silk Heritage have remained an important source of support for the museum, particularly in providing match funding for grant applications and we thank them for their partnership. We have worked to raise the profile of the Friends through our new website.

Operations

The Old Sunday School

The Trust is consolidating its role as a landlord for the partners and tenants who occupy the spaces and we worked with a Health & Safety Consultant to undertake a comprehensive review and establish procedures for the entire property and for individual partners compliance.

The local charities, who have a base in the building, help the Trust achieve the building's original social and educational purpose. The Trust worked with Pinc College and Scoop & Scales to reconfigure the ground floor spaces. This expanded the College 'campus' enabling an increase in the number of students that can be accommodated. Scoop & Scales took over and refurbished spaces at the front of the building, including a flexible space for local artists' exhibitions and events.

The Trust continued to support the operations of our key partner Cinemac as it experienced the challenges of reduced cinema audiences and limited film production globally. The Director, Chair and the Trust's Accountant worked very closely with Cinemac to understand ongoing financial issues and address outstanding debt generated during the pandemic.

The Trust made a modest increase in rent costs to all tenants. As a result of increases in energy bills, the Trust worked with tenants to pass on an attributed proportion of these costs; working with an energy consultancy, to ensure that these are equitably calculated.

The Architectural Heritage Fund Project Development grant supported the work of a Project Manager, who worked with tenants to discuss future priorities for the building. The resulting matrix informed the brief for a Heritage Architect practice to develop a new vision. Chambers Architects were appointed and have produced transformational proposals for strengthening the flexibility and sustainability of the building. These have been approved by the Board for further consultation with stakeholders.

The Silk Museum and Paradise Mill

The Museum did not return to pre-Covid opening hours, concentrating instead on opening to the public Wednesday – Saturday, and on Treacle Sundays (once a month). On Mondays and Tuesdays, the building is open to schools and pre-booked groups; this is particularly valued by teachers who have seen a significant drop in pupils' confidence in unfamiliar environments, again a long-term consequence of the pandemic lockdown periods.

To assist with addressing the cost-of-living crisis impact and as a result of a Warm Places grant the Museum promoted itself over the winter, as a warm, welcoming place for visitors and local people struggling with energy costs.

The Museum team continued to work on developing the visitor offer and to develop interpretation of the collections. An exhibition exploring the heritage of Langley Printworks and our collections of Printing Blocks and textiles proved very popular. The display included work specially produced by a young neuro-diverse student, of part-Uzbek, part-Pakistani heritage, which was an important opportunity for her work.

As previously mentioned, visitors have been slow to recover with total visitor numbers of 11,500, down 25% from pre-Covid levels. Paradise Mill only saw total visitor numbers at 4,000, down 50% from pre-Covid levels, although temporary access restrictions played a small part in this drop, which is being addressed in the current upgrade work at the Mill.

This had a knock-on effect on Shop sales which saw a 44% decrease, although café spend remained constant. Schools have returned in good numbers due to our improved offer – although increased travel costs caused some schools to cancel at short notice.

The need to rebuild visitor numbers and group visits through broader marketing campaigns was hampered by budget pressures. The new website was developed to focus on the Museum & Mill as a single heritage offer. The website was developed through funding from the Art Fund and Friends contributions. It is much more dynamic and flexible with a focus on income drivers – donations, paid for events and activities.

West Park

The limitations of West Park Museum building, in its restricted access and air flow, meant that it was not safe to open this to the public. Additional investment from CEC supported urgent conservation and decant to protect the collections from deteriorating environmental conditions in the building. Lancashire County Museum Service Conservators carried out a thorough review of museum objects in West Park. The team undertook a complete basic clean and decant of the Collections with some objects being removed to external storage and some going on to Lancashire Museums' Service Conservation Centre. We expect that they will be returned to the building once the environmental conditions have been improved and stabilised, although we do not expect this in the short term. The Trust focussed on the positive aspects of this work as the biggest investment of time and resource in the West Park collections from many years.

Staff & Volunteers

The Museum has benefitted from an increase in volunteering. The *Machines and Memories* project continued to reinvigorate our industrial collection of 20th century silk machinery and resulted in an expanded body of highly skilled volunteers, working on restoring a range of machines. History Hunters was launched as a new group of enthusiastic local people that meets weekly to document and explore the people stories in our Archives and textiles collections.

The Museum and Mill continue to operate with a very small team of contracted staff plus the casual Education team and Mill Guides. Their commitment, dedication and enthusiasm for Macclesfield's heritage is one of the Trust's greatest assets and I would like to express my sincere thanks to the Director, Emma Anderson, her team and everyone involved in continuing to make our museum an extraordinary asset to Macclesfield and beyond.

John Varney
Chair, Macclesfield Silk Heritage Trust.

December 2023

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company, and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the Special Provisions of part 15 of the Companies Act 2006 relating to small companies.

The Trustees' Report was approved by the Board and signed on its behalf by:

John Varney
Chair, Silk Heritage Trust
Date: 30th January 2024

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE SILK HERITAGE TRUST
Linked Financial Statements for the year ended 31 March 2023**

Opinion

We have audited the financial statements of the Silk Heritage Trust for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its result, 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Conclusions relating to going concern

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

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE SILK HERITAGE TRUST
Linked Financial Statements for the year ended 31 March 2023**

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors 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 a Report of the Independent Auditors 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 based on 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, are detailed below:

Our approach to identifying and assessing the risks of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
 - We identified the laws and regulations applicable to the company through discussions with trustees and management, and from our knowledge and experience of the charity sector;
 - We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities SORP FRS102, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation);
 - We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatements, 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;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE SILK HERITAGE TRUST
Linked Financial Statements for the year ended 31 March 2023**

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

- Performed analytical procedures to identify any unusual or expected relationships;
- Investigate 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 minutes of meetings of those charged with governance;
- enquiring of management as to actual potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from errors as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr N A Kennington FCA (Senior Statutory Auditor)
for and on behalf of
Bright Partnership Limited
Statutory Auditor
1 Park Street
Macclesfield
SK11 6SR

Date: 30th January 2024

THE SILK HERITAGE TRUST

Statement of Financial Activities including Income and Expenditure Account for the year ended 31 March 2023

	Notes	Silk Heritage Trust		Silk Heritage Trust		Silk Heritage Trust		Silk Heritage Trust		Silk Heritage Trust	
		Unrestricted		Restricted		Unrestricted		Restricted		Unrestricted	
		2023	2023	2023	2023	2022	2022	2022	2022	2022	2022
Income		£	£	£	£	£	£	£	£	£	£
Donations and Legacies											
Donations	2	7,762	-	1,304	9,066	10,961	-	1,304	12,265		
Grants	3	119,056	29,873	40,832	189,761	169,208	185,448	12,090	366,746		
Income from charitable activities:											
Fees	4	52,301	-	82,112	134,413	38,227	-	64,842	103,069		
Income from other trading activities:											
Shop income		27,485	-	-	27,485	16,067	-	-	16,067		
Investment income	5	268	-	40	308	6	-	5	11		
TOTAL INCOME		206,872	29,873	124,288	361,033	234,469	185,448	78,241	498,158		
Expenditure											
Costs of raising funds											
Fundraising and trading: cost of goods sold and other costs		11,577	-	-	11,577	9,078	-	-	9,078		
Charitable activities		248,908	75,273	135,097	459,278	205,145	189,171	52,101	446,417		
TOTAL EXPENDITURE	6	260,485	75,273	135,097	470,855	214,223	189,171	52,101	455,495		
Net income/expenditure		(53,613)	(45,400)	(10,809)	(109,822)	20,246	(3,723)	26,140	42,663		
Transfers between funds											
NET MOVEMENT IN FUNDS		(53,613)	(45,400)	(10,809)	(109,822)	20,246	(3,723)	26,140	42,663		
Reconciliation of funds											
Total funds brought forward		1,119,748	49,166	298,254	1,467,168	1,099,502	52,889	272,114	1,424,505		
TOTAL FUNDS CARRIED FORWARD		1,066,135	3,766	287,445	1,357,346	1,119,748	49,166	298,254	1,467,168		

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities. The notes on pages 16 to 26 form part of these accounts.

THE SILK HERITAGE TRUST

Balance Sheet as at 31 March 2023

		Silk Heritage Trust	Silk Heritage Trust		Silk Heritage Trust	Silk Heritage Trust	
		Trust	Endowed Trust	Total	Trust	Endowed Trust	Total
		2023	2023	2023	2022	2022	2022
Notes		£	£	£	£	£	£
Fixed Assets							
Tangible assets	12	1,030,630	144,558	1,175,188	1,040,130	148,508	1,188,638
Investments	13	-	202	202	-	202	202
		<u>1,030,630</u>	<u>144,760</u>	<u>1,175,390</u>	<u>1,040,130</u>	<u>148,710</u>	<u>1,188,840</u>
Current Assets							
Stock	14	3,890	-	3,890	3,782	-	3,782
Debtors	15	26,543	99,361	125,904	10,789	46,504	57,293
Cash at bank and in hand		89,168	63,152	152,320	156,663	112,815	269,478
		<u>119,601</u>	<u>162,513</u>	<u>282,114</u>	<u>171,234</u>	<u>159,319</u>	<u>330,553</u>
Creditors: amounts falling due within one year	16	80,330	19,828	100,158	42,450	9,775	52,225
Net Current Assets		<u>39,271</u>	<u>142,685</u>	<u>181,956</u>	<u>128,784</u>	<u>149,544</u>	<u>278,328</u>
Total Assets Less Current Liabilities		<u>1,069,901</u>	<u>287,445</u>	<u>1,357,346</u>	<u>1,168,914</u>	<u>298,254</u>	<u>1,467,168</u>
Net Assets		<u>1,069,901</u>	<u>287,445</u>	<u>1,357,346</u>	<u>1,168,914</u>	<u>298,254</u>	<u>1,467,168</u>
Charity Funds							
Unrestricted funds		1,066,135	287,445	1,353,580	1,119,748	298,254	1,418,002
Restricted funds		3,766	-	3,766	49,166	-	49,166
Total Funds	18 & 19	<u>1,069,901</u>	<u>287,445</u>	<u>1,357,346</u>	<u>1,168,914</u>	<u>298,254</u>	<u>1,467,168</u>

THE SILK HERITAGE TRUST

Balance Sheet as at 31 March 2023- continued

These financial statements have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS 102 SORP.

The financial statements were approved and authorised for issue by the trustees on the 30th January 2024 and signed on their behalf by:

Mr John Varney - Chairman of Trustees

The notes on pages 16 to 26 form part of these accounts.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2023

1. ACCOUNTING POLICIES

a) Basis of preparation and assessment of going concern

The financial statements of the charitable company, which is a public benefit entity under FRS102, have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP FRS102 – effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments, which are included at market value as modified by the revaluation of certain assets.

The Silk Heritage Trust, formally known as Macclesfield Museums Trust has been granted a Uniting Direction by the Charities Commission. The effect of this is that these accounts must also report on the financial activities of The Silk Heritage Endowed Charity, formerly known as Macclesfield Sunday School Heritage Centre Trust.

The Trustees are of a view that there are no material uncertainties about the Trust's ability to continue as a going concern.

The trust received government grants totalling £86,000 in the year towards the provision of Museum Services.

The financial statements are prepared in sterling which is also the functional currency of the trust, rounded to the nearest pound.

b) Company status

The trust is a company limited by guarantee and therefore has no share capital and was incorporated in England and Wales.

c) 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 trust 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 trust for particular purposes.

The aim and use of each restricted fund is set out in the notes to the financial statements.

d) Incoming resources and debtors

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of incoming resources can be measured reliably. Income from grants is recognised when the charity has entitlement to the funds, conditions have been met, it is probable to be received and can be measured reliably.

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

e) Resources expended and creditors

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Fundraising costs are those incurred in seeking voluntary contributions. Management and administration costs are those in connection with administration of the charity and compliance with the constitutional and statutory requirements.

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2023 - continued

1. ACCOUNTING POLICIES (continued)

f) Tangible fixed assets and depreciation

Tangible Fixed Assets are stated at cost.

Depreciation is provided on Buildings and Fixtures, Fittings and Equipment on a straight line basis over the expected useful lives of the assets concerned. The rates used for this purpose are:

	<u>Period (years)</u>
Fixtures and Fittings	10
Buildings	50

The Museum's exhibits are not represented in the balance sheet.

The depreciation on buildings is included at 2% of the difference between the current market value and the original cost.

Artefacts purchased by the Museum are not capitalised but are treated as expenditure in the SOFA in the period in which it occurred.

g) Heritage costs

The original land and buildings of the Macclesfield Sunday School were transferred to the Silk Heritage Trust Endowed Charity by a trust deed dated 31 October 1981. The property is a Grade II listed building. It was built in 1813 for the recreation and education of the local community. The charity uses the property to fulfil its objectives by providing rooms for recreational and educational facilities.

The property has not been capitalised as the original cost is unavailable and onerous costs would have to be incurred for the property to be reliably valued. It is also owned as specie property under an Endowed Trust as a Historic asset.

h) Stock

Stock is represented by shop goods for resale which are stated at the lower of cost or net realisable value. Provision has been made where it is considered that stock is obsolete or slow moving.

i) Pension costs

The company operates a work place pension scheme which is a defined contributions scheme with the Peoples Pension. Contributions payable for the year are charged to the SOFA.

j) Investments

Listed investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

k) 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.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2023 - continued

	Silk Heritage Trust Unrestricted Funds		Silk Heritage Trust Restricted Funds		Total Funds		Silk Heritage Trust Unrestricted Funds		Silk Heritage Trust Restricted Funds		Total Funds	
	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022	2022	2022
£	£	£	£	£	£	£	£	£	£	£	£	£
Donations	7,762	-	1,304	9,066	10,961	-	1,304	12,265	-	1,304	12,265	
	7,762	-	1,304	9,066	10,961	-	1,304	12,265	-	1,304	12,265	
Cheshire East Council	86,000	20,000	-	106,000	86,000	-	-	12,090	-	-	98,090	
Art Fund	-	3,000	-	3,000	-	-	-	-	-	-	-	
Arts Council	4,983	-	-	4,983	-	-	-	-	-	-	-	
Association of Industrial Archeology	6,067	-	-	6,067	-	-	-	-	-	-	-	
Association of Industrial Heritage	4,210	-	-	4,210	-	-	-	-	-	-	-	
Macclesfield Town Council	315	2,200	-	2,515	-	-	-	-	-	-	-	
University of Manchester	-	4,673	-	4,673	-	-	-	-	-	-	-	
Friends of Macclesfield Silk Heritage	7,481	-	-	7,481	-	-	-	-	-	-	-	
NHMF	10,000	-	-	10,000	-	-	-	-	-	-	-	
Cheshire East Council covid Support	-	-	-	-	4,000	-	-	-	-	-	4,000	
Arts Council	-	-	-	-	62,247	85,924	-	-	-	-	148,171	
CRF	-	-	-	-	-	19,424	-	-	-	-	19,424	
Headley Fellowship	-	-	-	-	-	53,800	-	-	-	-	53,800	
Architectural Heritage Fund	-	-	40,832	40,832	-	22,800	-	-	-	-	22,800	
IMA	-	-	-	-	400	-	-	-	-	-	400	
Heritage Compass	-	-	-	-	2,000	-	-	-	-	-	2,000	
AIA	-	-	-	-	991	-	-	-	-	-	991	
Association of Industrial Heritage	-	-	-	-	2,400	-	-	-	-	-	2,400	
Green	-	-	-	-	-	3,500	-	-	-	-	3,500	
Job Support Scheme	-	-	-	-	11,170	-	-	-	-	-	11,170	
	119,056	29,873	40,832	189,761	169,208	185,448	12,090	366,746				

2. DONATIONS AND LEGACIES

3. GRANTS

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2023- continued

	Silk Heritage Trust Unrestricted Funds		Silk Heritage Trust Restricted Funds		Silk Heritage Trust Charity Unrestricted Funds		Silk Heritage Trust Restricted Funds		Silk Heritage Trust Charity Unrestricted Funds		Total Funds	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
£	£	£	£	£	£	£	£	£	£	£	£	£
Museum fees	49,083	-	-	-	-	49,083	34,024	-	-	-	-	34,024
Function room hire	-	-	40,622	40,622	-	-	-	-	38,561	38,561	-	38,561
Recharges	-	-	14,762	-	-	-	-	-	-	-	-	-
Auditorium hire	-	-	26,479	26,479	-	-	-	-	25,725	25,725	-	25,725
Other income	3,218	-	249	3,467	4,203	-	-	-	556	4,759	-	4,759
	52,301	-	82,112	119,651	38,227	-	-	-	64,842	103,069	-	103,069

4. FEES

The Silk Heritage Trust has recharged certain establishment costs incurred on behalf of the Silk Heritage Trust Endowed Charity.

5. INVESTMENT INCOME

Bank interest received	268	-	40	308	6	-	-	5	11
	268	-	40	308	6	-	-	5	11

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2023 - continued

6. TOTAL RESOURCES EXPENDED

	Silk Heritage Trust 2023				Silk Heritage Trust 2022				TOTAL	
	Unrestricted Funds		Restricted Funds	Unrestricted Funds	Unrestricted Funds		Restricted Funds	Unrestricted Funds	TOTAL	
	Fundraising & Charitable Activities trading	Charitable Activities	Fundraising & Charitable Activities trading		Charitable Activities	Charitable Activities	Charitable Activities			
£	£	£	£	£	£	£	£	£	£	
Costs directly allocated to activities										
Staff costs	-	103,006	31,395	-	25,000	-	81,521	20,520	20,000	122,041
Advertising	-	19,935	4,732	-	-	-	13,708	-	447	14,156
Travel	-	968	-	-	968	-	892	-	-	892
Goods for resale	11,577	-	-	-	-	9,078	-	-	-	9,078
Display and Exhibition costs	-	-	17,115	-	-	-	-	63,227	-	68,799
Premises expenses	-	25,720	-	27,976	-	-	22,940	-	17,838	40,778
Insurances	-	15,353	-	-	-	-	4,800	-	-	4,800
Cleaning	-	2,317	-	4,807	-	-	4,975	-	4,189	9,164
Security	-	3,930	-	1,936	-	-	4,533	-	-	4,533
Equipment maintenance	-	-	-	7,431	-	-	-	-	-	-
Repairs and renewals	-	4,537	3,500	6,957	-	-	7,967	71,589	-	79,556
Bad debt	-	-	-	556	-	-	-	-	-	-
Depreciation	-	10,619	-	3,950	-	-	11,555	-	3,950	15,505
Support costs allocated to activities										
Irrecoverable VAT	-	10,626	-	-	-	-	7,840	-	-	7,840
Audit fee	-	3,600	-	-	-	-	1,800	-	1,500	3,300
Administrative & finance	-	16,383	-	-	-	-	11,950	-	-	11,950
Legal & Professional fees	-	13,354	18,631	56,407	-	-	6,905	33,835	3,500	44,240
Communications	-	3,983	-	-	3,983	-	7,820	-	-	7,820
Printing and stationery	-	971	-	-	971	-	1,781	-	-	1,781
Computer costs	-	9,238	-	-	9,238	-	6,542	-	-	6,542
Bank charges	-	650	-	-	650	-	501	-	-	501
General expenses	-	4,818	-	77	-	-	1,542	-	677	2,219
Total resources expended	11,577	248,908	75,273	135,097	470,855	9,078	205,145	189,171	52,101	455,495

The basis of cost allocation is all direct.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2023 - continued

Silk Heritage Trust	Silk Heritage Trust Endowed Charity	Silk Heritage Trust	Silk Heritage Trust Endowed Charity
2023	2023	2022	2022
£	£	£	£

7. NET INCOMING RESOURCES

This is stated after charging:

Depreciation	10,619	3,950	11,555	3,950
Audit fee	1,900	1,600	1,800	1,500
Other finance and accountancy fees	15,383	-	8,650	-

8. STAFF COSTS AND NUMBERS

Staff costs were as follows:

Salaries and wages	128,540	25,000	100,851	20,000
Social security costs	4,325	-	-	-
Employers pension contributions	1,536	-	1,190	-
Total	134,401	25,000	102,041	20,000

The average monthly head count was 23 staff (2022 - 18) and the average monthly number of full time employees during the year, was as follows.

	2023 Number	2022 Number
Management and administration	1	1
Fundraising	1	1
Charitable activities	6	5
	<u>8</u>	<u>7</u>

Approximately 20% of unrestricted staffing costs relate to the operation of the Endowed Charity.

No Employees had employee benefits in excess of £60,000 (2022 - none).

The management of the combined trust is the duty of the trustees who are unpaid.

9. TRUSTEE REMUNERATION & RELATED PARTY TRANSACTIONS

No members of the Board of Trustees (Directors) received any remuneration or expenses during the year.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during this year or the previous year.

The Macclesfield Museum Trust, now known as The Silk Heritage Trust and Macclesfield Sunday School Heritage Centre Trust, have been granted a Uniting Direction. The Endowed Charity provides rent free accommodation to The Silk Heritage Trust in return for shared expenses. At the year end, the net debt owing from the Silk Museum to the Heritage Centre was £41,336 (2022- £17,113)

10. TAXATION

As a charity, The Silk Heritage Trust is exempt from tax on income and gains falling within s505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2023 - continued

11. PENSION SCHEME

The trust made contributions to the work place pension scheme with Peoples Pension for 9 employees totalling £1,536 (2022 - £1,190).

12. TANGIBLE FIXED ASSETS

The Silk Heritage Trust

	Land & Buildings	Fixtures, Fittings & Equipment	Total
Cost	£	£	£
At 1 April 2022	1,202,215	121,068	1,323,283
Additions	-	1,119	1,119
At 31 March 2023	<u>1,202,215</u>	<u>122,187</u>	<u>1,324,402</u>
Depreciation			
At 1 April 2022	162,085	121,068	283,153
Charge for the Year	9,500	1,119	10,619
At 31 March 2023	<u>171,585</u>	<u>122,187</u>	<u>293,772</u>
Net book values			
At 31 March 2023	<u>1,030,630</u>	-	<u>1,030,630</u>
At 31 March 2022	<u>1,040,130</u>	-	<u>1,040,130</u>

The value of Land and Buildings consists of the Museum at Park Green. The development of this site was funded to a large extent by the National Lottery Heritage Fund. The conditions of the funding stipulated that if the building was ever to be sold, a percentage of the grant given of £800,000 would have to be repaid.

The Silk Heritage Trust Endowed Fund

	Building	Fixtures & Fittings	Total
Cost	£	£	£
At 1 April 2022	309,111	105,737	414,848
At 31 March 2023	<u>309,111</u>	<u>105,737</u>	<u>414,848</u>
Depreciation			
At 1 April 2022	163,195	103,145	266,340
Charge for the Year	3,300	650	3,950
At 31 March 2023	<u>166,495</u>	<u>103,795</u>	<u>270,290</u>
Net book values			
At 31 March 2023	<u>142,616</u>	<u>1,942</u>	<u>144,558</u>
At 31 March 2022	<u>145,916</u>	<u>2,592</u>	<u>148,508</u>

The building represents renovations and additions to the land and buildings of the Macclesfield Heritage Centre.

The original land and buildings of the Macclesfield Heritage Centre were transferred to the trust by the Trust Deed dated 31st October 1981 and have not been included in the fixed assets.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2023 - continued

13. INVESTMENTS

	2023 Nominal Value	2023 Market Value	2022 Nominal Value	2022 Market Value
	£	£	£	£
Silk Heritage Trust Endowed Charity				
City of Manchester 3%	371	202	371	202
	371	202	371	202

14. STOCK	Silk Heritage Trust 2023 £	Silk Heritage Trust Endowed Charity 2023 £	Total 2023 £	Silk Heritage Trust 2022 £	Silk Heritage Trust Endowed Charity 2022 £	Total 2022 £
Shop goods for resale	3,890	-	3,890	3,782	-	3,782

15. DEBTORS

Trade debtors & Prepayments	16,543	49,631	66,174	9,334	26,844	36,178
Other debtor	10,000	-	10,000	-	2,547	2,547
Silk Heritage Trust	-	41,336	41,336	-	17,113	17,113
Taxation and Social Security	-	8,394	8,394	1,455	-	1,455
	26,543	99,361	125,904	10,789	46,504	57,293

16. CREDITORS: Amounts falling due within one year

Trade creditors and Accruals	34,392	19,828	54,220	25,337	7,346	32,683
Silk Heritage endowed trust	41,336	-	41,336	17,113	-	17,113
Taxation and Social Security	4,602	-	4,602	-	2,429	-
	80,330	19,828	100,158	42,450	9,775	49,796

17 SHARE CAPITAL

The company is incorporated under the Companies Act 2006 and is limited by guarantee and therefore does not have a share capital.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2023 - continued

18. STATEMENT OF FUNDS

	<i>Balance at 31st March 2022</i>	<i>Incoming Resources</i>	<i>Outgoing Resources</i>	<i>Transfer between Funds</i>	<i>Balance at 31st March 2023</i>
	£	£	£	£	£
Unrestricted Funds					
The Silk Heritage Trust	1,119,748	206,872	260,485	-	1,066,135
The Silk Heritage Trust Endowed Charity	298,254	124,288	135,097	-	287,445
Total Unrestricted Funds	1,418,002	331,160	395,582	-	1,353,580
Restricted Funds					
The Silk Heritage Trust					
Sustainable improvement	2,200	-	2,200	-	-
New Homes Bonus	-	-	-	-	-
Green	3,500	-	3,500	-	-
Arts Council Funding	-	-	-	-	-
Reimagine Fund	22,811	3,000	25,811	-	-
Hedley Fellowship	19,358	-	15,592	-	3,766
CEC West park	-	20,000	20,000	-	-
Town Council Grant Heritage Open Day	-	1,950	1,950	-	-
Warm Places	-	250	250	-	-
MDNW Sustainable Improvement Fund	-	4,373	4,373	-	-
AIM	1,297	5,120	4,947	-	1,470
MDNW Learning CPD	-	300	300	-	-
Total Restricted Funds	49,166	34,993	78,923	-	5,236
TOTAL FUNDS	1,467,168	366,153	474,505	-	1,358,816

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2023 - continued

18 STATEMENT OF FUNDS (continued)

Unrestricted Funds

The Silk Heritage Trust - These represent the accumulated unrestricted general funds of the Trust.

The Silk Heritage Trust Endowed Fund - These represent the accumulated unrestricted general funds of the Endowed Charity

Restricted Funds

During the financial year 2022-23 the Silk Heritage Trust worked with restricted funds from a range of sources:-

Museum Development North West awarded a Sustainable Improvement Fund grant (SIF) to support the development of schools' loans boxes as part of our work to refresh our learning programme.

A Green grant has been received from the University of Manchester to support museumsto accelerate their action against climate change.

The Reimagine Fund is designed to inspire creativity and increase stability in the sector. It supports organisations to develop or refresh their work in response to the challenges posed by the pandemic. This grant has supported a development programme at Paradise Mill.

The Headley Fellowships with Art Fund aims to encourage collections-focused projects by developing and preserving specialist curatorial skills and expertise in regional museums, enabling knowledge to be shared as widely as possible across the sector. The Fellowship was awarded to Kathryn Warburton.

The CEC West Park grant was for the conservation work on the West Park Collections and was expensed in the year.

The Town Council Grant for Heritage Open Days was awarded for the use in promoting an open day at the Museum and was expensed in the year.

A grant from Cheshire East was awarded towards Warm Places which was expensed in the year.

A Sustainable Improvement Fund grant from the University of Manchester was awarded for Putting People First: Strengthening the Paradise Mill Team which was expensed in the year.

The Association for Industrial Archaeology, AIA, Grants are been given for industrial heritage restoration projects.

A grant from the University of Manchester was awarded to support in-house training at the Museum and was expensed duri

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2023 - continued

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	2022
	£	£	£
The Silk Heritage Trust			
Tangible Fixed Assets	1,030,630	-	1,030,630
Net Current assets	35,505	3,766	39,271
	1,066,135	3,766	1,069,901
The Silk Heritage Trust Endowed Charity			
Tangible Fixed Assets	144,558	-	144,558
Investments	202	-	202
Net Current Assets	142,685	-	142,685
	287,445	-	287,445

20 INTER TRUST LOAN

As at the balance sheet date the inter trust loan outstanding was £41,336 owing to the Endowed Charity by the Silk Heritage Trust.

THE SILK HERITAGE TRUST

England & Wales - Charity number 519521

Accounts

Registered Company number 02182687 (England & Wales)
Registered Charity Number 519521

THE SILK HERITAGE TRUST
LINKED REPORT AND ACCOUNTS FOR THE YEAR ENDED
31ST MARCH 2022

HEYWOOD SHEPHERD
CHARTERED ACCOUNTANTS

THE SILK HERITAGE TRUST

Financial Statements for the year ended 31 March 2022

Contents	Page
Legal and Administrative Information	1 - 2
Report of the Trustees	3 - 9
Independent Auditor Report	10 - 12
Statement of Financial Activities	13
Balance Sheet	14 - 15
Notes forming part of the financial statements	16 - 26

Legal and Administrative Information

Company Name

The Silk Heritage Trust

Registered Office

The Heritage Centre
Roe Street
Macclesfield
Cheshire SK11 6UT

Registered Charity

No 519 521

Company Registration

No 2182687

Governing Document

Articles of Association

Directors and Trustees

Mr John Varney (Chair)
Mr Nicholas Hynes
Mr Roy Pownall
Ms Catherine Dewar (Resigned 23rd June 2022)
Cllr Lesley Smetham
Cllr Janet Jackson (Friends of Macclesfield Silk Heritage nominee)
Ms Hannah Williamson
Mr David Shatwell (Resigned 20th January 2022)
Cllr Elizabeth Braithwaite
Mr Philip Cole
Ms Joanna Hayward (Appointed 27th June 2022)
Ms Julie Griffiths (Appointed 27th June 2022)
Mr Mike Ward (Appointed 27th June 2022)

Museum Director (Interim)

Emma Anderson

Company Secretary

Emma Anderson

Independent Auditors

Heywood Shepherd
Chartered Accountants & Registered Auditors
1 Park Street
Macclesfield
Cheshire SK11 6SR

Payroll Consultants

Heywood Shepherd

Bankers

The Co-operative Bank
1 Balloon Street
Manchester M60 4EP

Royal Bank of Scotland
56 Chestergate
Macclesfield SK11 6BA

National Westminster Bank
PO Box 65
2 Chestergate
Macclesfield Sk11 6BA

The full name of the Charity is the Silk Heritage Trust. Its registered office and principal operating address is The Heritage Centre, Roe Street, Macclesfield, Cheshire, SK11 6UT.

Constitution

The Company (The Trust) was incorporated on 23 October 1987 and is limited by guarantee with charitable status, and accordingly no distributions are allowed. The Trust, formerly known as the Macclesfield Museums Trust, was granted a uniting direction on 10 December 2008 which had the effect of uniting the Macclesfield Museums Trust with the Silk Heritage Trust Endowed Charity, formerly the Macclesfield Sunday School Heritage Centre Trust. A new body of trustees was formed which also serves corporately as the Trustees for the Endowed Charity.

The Trust is governed by the Articles of Association dated 10th September 2012, which replaced the Memorandum and Articles dated 10th December 2008.

The Board of Trustees shall consist of no less than **nine** and not more than eighteen members, unless the Members pass a Special Resolution to change these numbers. The Trustees have the power to appoint any person to be a Trustee, but the total number of Trustees shall not exceed the maximum of eighteen.

The Trustees, who are also Directors under Company law, who served during the year and subsequently are shown on page 1. None of the Trustees have any financial interest in the Company.

Trustee Induction and Training

New Trustees are given an Induction Pack which contains a briefing on their legal obligations under Charity and Company law, the Articles of Association, the committee and decision-making processes, the Business Plan and recent financial performance of the Company. Familiarisation visits are arranged, and Trustee training events are held, as necessary, to facilitate the undertaking of their role.

Organisation

The Board of Trustees administers the Charity. A Museum Director is appointed by the Trustees to manage the day to day operations of the Charity. The Board meets four times per annum, and the following sub-committees meet as shown:

Property Committee

Meets six times per annum and acts as a review and advisory committee to the Board in the areas of commercialisation, development, maintenance and management of the Trust's property portfolio; including managing risk, strategy, planning and major projects.

Objectives and Activities

The objects of the Trust are stated in the Memorandum and Articles as (1) the advancement of the education of the public by the provision of museum and ancillary facilities; and (2) and any other charitable purpose for the benefit of the public.

Financial Review

In this period the Silk Heritage Trust has made a surplus of £42,633 (2021-£51,725). Operationally the Silk Heritage Trust made a surplus of £20,246 (2021- £70,444) and the Heritage Centre Trust made a surplus of £26,140 (2021 Deficit- £(21,712)). The Silk Heritage Trust fulfilled many restricted responsibilities reducing restricted funds carried forward to £49,166.

Priorities for the Trust going forward are to create a sustainable balance sheet with net reserves which will provide operational stability. The Balance Sheet is getting stronger through careful cost management and a proactive approach to diversifying income.

Principal Risks and Uncertainties

The Trustees have reviewed the major risks to which the Charity is exposed, particularly those related to the operations and finances of the Trust. The Trustees have given consideration to the appropriate policies, procedures and systems to mitigate the Charity's exposure to the major risks. The principal financial risk facing the Charity is the ability to generate sufficient income from charitable activities and external funding to cover expenditure incurred in fulfilling the objectives of the Charity.

Investment Powers and Policy

The Articles of Association of the Charity permit the Trustees to invest the moneys of the Company not immediately required for its objects in or upon such investments, securities or property as be thought fit.

The Trust's investments are currently restricted to UK banks and government bonds.

Reserves Policy

The Trustees aspire to retain three month's operating costs in reserve. As at 31st March 2022, the Charity's free reserves, as defined as unrestricted funds not represented by fixed assets had reached this amount.

The Silk Heritage Trust continued to face challenges as a result of the pandemic during the year to March 2022. Despite those challenges and uncertainty of this period of closure and gradual reopening, the Trust has focussed on an ambitious development vision across its sites.

Overview

Our work in 2021-2022 built on what the Trust had achieved over the previous three years. We ended the previous financial year in a relatively strong position due to cost reduction and grant income. We continued to prioritise both of those aspects of our operation and have had a very high success rate in securing grant support whilst we wait for the return of audiences and secondary spend.

As well as contributing to core costs, grant income secured enabled us to revisit our business model, museum offer, relationship with audiences, and to understand the opportunities and challenges of caring for our collections. We have also been able to appoint specialist advisers to assist with continued fundraising, commercial opportunities, audience building and collection management.

Clarifying our purpose and identifying a new vision for our venues has transformed our work and stream-lined the role and responsibilities of our Trustees.

Governance

We welcomed Phil Cole as a new Trustee, bringing valuable experience in programme management, risk management and change planning. These are vital skills as the Trust takes on an increasingly ambitious range of grant-funded programmes.

Our Vice Chair, Catherine Dewar, stepped down due to pressures of work and I would like to thank her for her dedication and diligence over the past 5 years as a member of the Board of Trustees. We benefitted hugely from her understanding of the challenges presented by managing historic buildings. Hannah Williamson has taken on the role of Vice Chair. Her curatorial expertise is invaluable in our ongoing work towards Full Accreditation, as well as sharing best practice in collections and audience development.

My thanks, also, to David Shatwell, Chair of the Property Group who stepped down at the end of the year. As a retired Heritage Architect, he worked tirelessly to drive forward the Trust's Planned Maintenance Schedule for the buildings' portfolio, to support funding applications and maintenance projects, and explore opportunities to bring in new partners to the Old Sunday School.

The Trust focussed on strengthening Diversity in its make-up, operations and activities; recognising the need to reflect the audiences and communities we serve. Trustees Roy Pownall and Cllr Liz Braithwaite have led the development of our Diversity and Equality Strategy, and this in turn is informing work with new partners.

Financial management

Management and monitoring of the Trust's financial position has been challenging through this period, due to the loss of substantial income streams. We are very grateful to our Accountants Heywood Shepherd for guidance and support in funding applications.

The Trust would have been in a more difficult position were it not for Government support delivered through grants to businesses from Cheshire East Council and through the Government's furlough scheme.

The Trust has benefitted greatly from external fundraising support that has helped reposition the organisation's work with national funders and the Director and staff worked exceedingly hard to secure grant funding from a wide range of sources.

The following grants enabled the Trust to undertake a wide range of activity to rebuild audiences, that would have otherwise been impossible:

- **Arts Council England:** Emergency Funding and Cultural Recovery Funding to support the Trust's operations and to test new approaches to our offer
- **Historic England:** for repairs to the Old Sunday School's most fragile windows which had become vital in ensuring a safe air flow for all building users – this ambitious project was successfully completed during the period.
- **Architectural Heritage Fund:** Project Development grant to support a transformational vision for the Silk Museum and Paradise Mill to inform its long-term role in the town and in Cheshire as a major heritage attraction.
- **Architectural Heritage Fund:** Project Development grant to support the next phase for the development of the Old Sunday School as a creative and social enterprise hub for the town.
- **Community and Arts smaller funders:** Support for creative programmes with vulnerable older people; & new models for our schools' offer

The Trust continued diverse fundraising by launching on-line donations, bookings and benefitting from small bequests.

We continue the need to rebuild our financial strength and stability, and the Board has had to make a number of difficult decisions to protect its reserves.

Partnerships

The pandemic has strengthened our vital relationship with Cheshire East Council. The Trust remains grateful for ongoing revenue funding, plus additional funding streams that have allowed us to extend our work to reach communities. Grants from CEC and Cheshire Community Fund supported the production of Art Packs inspired by our Have a Dabble programme. These packs ensured that vulnerable people across the town enjoyed creative activities, and this impacted on their wellbeing.

The Friends of Macclesfield Silk Heritage have remained an important source of support for the museum. The pandemic had a significant impact on the activities of the Friends, with a high proportion of vulnerable members and the cancellation of in-person events. However, working together, we have continued to deliver an ambitious programme of online talks, which have raised the profile of the Friends, of our collections and reached new, international audiences as well as generating donations.

Operations

We benefitted from the Government's furlough scheme, with staff moving to flexible and hybrid working.

The Old Sunday School remained open throughout for partners providing essential services for vulnerable people. The operations of our key partner Cinemac continued to be hit particularly hard, by reduced audiences and film production globally, with limited new releases. Outlook for the sector is for a return of audiences, albeit slowly, to pre-pandemic levels. There have been small changes in operational support following the recommendations of the Trust.

The most significant change is the Trust's focus on its role as landlord for the partners and tenants who are now occupying all the spaces. We are delighted to have welcomed local charities to establish a base in the building. These include Standing Up and Speaking Out who have taken over the first floor; Pinc College whose work continues to expand on site; Scoop & Scales, who have established a social enterprise food co-operative; IDST! an independent digital workshop. We are delighted to note that the building is close to full capacity in its current configuration.

Following an Options Appraisal, a Listed Building Consent for changes to the ground floor was successfully submitted to Cheshire East Council. This will allow the Trust to pursue making the building more accessible and effective.

The Silk Museum and Paradise Mill reopened in May – opening hours were reduced, and visitors had to pre-book tickets. Visitor capacity gradually increased in line with government guidelines. Our Summer of Art welcomed more visitors back to the Museum and tested new creative ideas to strengthen the offer. Schools and groups started to return, particularly on Mondays and Tuesdays when the building is not open to the general public. Our groups market has been hit hard – previously it attracted national and international visitors, and they have been slow to return due to the global pandemic and economic issues.

We were delighted that our Curator, Kathryn Warburton was awarded a Headley Fellowship by the Art Fund. This allows her to work on the *Machines and Memories* project to reinvigorate the Silk Museum's neglected industrial collection of 20th century silk machinery. These objects illustrate industrial innovations, including looms and bobbin winders, and industrial diversification such as knitting, sewing and cord twisting. This ambitious project extends our historic story of the designated Jacquard Loom collection at Paradise Mill.

We were also successful in securing a Reimagine grant from the Art Fund, to diversify the offer in Paradise Mill, strengthen our team of Mill Guides, and reach new audiences. This will contribute to our post-Covid recovery.

These two awards recognise the national significance of the Museum's collections.

We celebrated the 120th anniversary of Charles Tunnicliffe's birth with a town-wide project *Inspired by Nature*, including a small exhibition of Tunnicliffe's work in Macclesfield Town Hall. This initiative was generously supported by Cheshire East Council and involved the Library and Local History Service; it involved schools across the area, plus a number of high-profile on-line talks and popular adult workshops with local artist Ruth Lear.

The limitations of West Park Museum building, in its restricted access and air flow, have meant that it has not been safe to open this to the public. Our responsibilities remain to protect the collections and to protect visitors.

A New Vision for the future

Architectural Heritage Fund support enabled the Trust to work with Buttress Architects Ltd and with Mather & Co Museum Exhibition designers to develop a new vision for the Silk Museum and Paradise Mill, as a major visitor attraction for the town. This was informed by consultation with staff and stakeholders including Cheshire East, the Town Centre Recovery Group and the LEP.

Increasing access for everyone to all parts of the Museum and Mill is at the heart of this new vision, and this may involve relocating and reimagining the Museum entrance, connecting the Museum and

the Mill. Our vision includes expanding and diversifying our stories and themes, transforming the visitor offer and orientation, and ensuring a sustainable future for our work

Paradise Mill offers a unique heritage experience for visitors, but this is currently constrained by the status of the lease, its overall state of repair and the lack of a working lift. The Trust has embarked on discussions with the landlord and with funders to address these long-term issues and allow us to make the first steps towards delivering our ambitious vision for sustainability. At the time of writing, we are making excellent progress in this regard and look forward to a new chapter in the story of Paradise Mill and the Silk Museum.

As always, I am immensely grateful to the Director and her staff at the museum. The dedication that they have shown, during difficult times, has been the driver of success in fund raising and visitor engagement. Their contribution to the success of the Museum must not be underestimated. I would also like to thank Cheshire East Council for their unwavering support and guidance as we move forward with our ambitious programme of engagement and transformation.

Finally, my gratitude to our President, David Rutley MP for his support of our work, our development plans and recognition of the Trust's key role in the town's recovery and to my fellow Trustees, who have worked across the Museum to allow us to be in such a positive position after two very challenging years.

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company, and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the Special Provisions of part 15 of the Companies Act 2006 relating to small companies.

The Trustees' Report was approved by the Board and signed on its behalf by:



John Varney
Chair, Silk Heritage Trust
Date: 20th December 2022

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE SILK HERITAGE TRUST
Linked Financial Statements for the year ended 31 March 2022**

Opinion

We have audited the financial statements of the Silk Heritage Trust for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its result, 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Conclusions relating to going concern

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

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE SILK HERITAGE TRUST
Linked Financial Statements for the year ended 31 March 2022**

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors 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 a Report of the Independent Auditors 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, are detailed below:

Our approach to identifying and assessing the risks of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
 - We identified the laws and regulations applicable to the company through discussions with trustees and management, and from our knowledge and experience of the charity sector;
 - We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities SORP FRS102, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation);
 - We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatements, 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;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE SILK HERITAGE TRUST
Linked Financial Statements for the year ended 31 March 2022**

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

- Performed analytical procedures to identify any unusual or expected relationships;
- Investigate 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 minutes of meetings of those charged with governance;
- enquiring of management as to actual potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from errors as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Other Matters

We draw your attention to the fact that the prior year comparative figures have not been audited as there was no requirement or request from the members.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr N A Kennington FCA (Senior Statutory Auditor)
for and on behalf of
Heywood Shepherd
Statutory Auditor
1 Park Street
Macclesfield
SK11 6SR

Date: 20th December 2022

THE SILK HERITAGE TRUST

Statement of Financial Activities including Income and Expenditure Account for the year ended 31 March 2022

	Notes	Silk Heritage Trust		Silk Heritage Trust		Silk Heritage Trust		Silk Heritage Trust		Silk Heritage Trust	
		Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
		£	£	£	£	£	£	£	£	£	£
Income											
Donations and Legacies											
Donations	2	10,961	-	1,304	12,265	5,887	15,000	1,517	22,404		
Grants	3	169,208	185,448	12,090	366,746	221,850	59,210	-	281,060		
Income from charitable activities:											
Fees	4	38,227	-	64,842	103,069	3,013	-	21,643	24,656		
Income from other trading activities:											
Shop income		16,067	-	-	16,067	1,106	-	-	1,106		
Investment income	5	6	-	5	11	24	-	4	28		
TOTAL INCOME		234,469	185,448	78,241	498,158	231,880	74,210	23,164	329,254		
Expenditure											
Costs of raising funds											
Fundraising and trading: cost of goods sold and other costs		9,078	-	-	9,078	2,625	-	-	2,625		
Charitable activities		205,145	189,171	52,101	446,417	158,811	71,217	44,876	274,904		
TOTAL EXPENDITURE	6	214,223	189,171	52,101	455,495	161,436	71,217	44,876	277,529		
Net income/expenditure		20,246	(3,723)	26,140	42,663	70,444	2,993	(21,712)	51,725		
Transfers between funds											
NET MOVEMENT IN FUNDS		20,246	(3,723)	26,140	42,663	61,444	2,993	(12,712)	51,725		
Reconciliation of funds											
Total funds brought forward		1,099,502	52,889	272,114	1,424,505	1,038,058	49,896	284,826	1,372,780		
TOTAL FUNDS CARRIED FORWARD		1,119,748	49,166	298,254	1,467,168	1,099,502	52,889	272,114	1,424,505		

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities. The notes on pages 15 to 25 form part of these accounts.

THE SILK HERITAGE TRUST

Balance Sheet as at 31 March 2022

	Notes	Silk Heritage Trust 2022 £	Silk Heritage Trust Endowed Charity 2022 £	Total 2022 £	Silk Heritage Trust 2021 £	Silk Heritage Trust Endowed Charity 2021 £	Total 2021 £
Fixed Assets							
Tangible assets	12	1,040,130	148,508	1,188,638	1,051,106	152,458	1,203,564
Investments	13	-	202	202	-	202	202
		<u>1,040,130</u>	<u>148,710</u>	<u>1,188,840</u>	<u>1,051,106</u>	<u>152,660</u>	<u>1,203,766</u>
Current Assets							
Stock	14	3,782	-	3,782	5,270	-	5,270
Debtors	15	10,789	46,504	57,293	15,369	27,004	42,373
Cash at bank and in hand		156,663	112,815	269,478	120,063	96,377	216,440
		<u>171,234</u>	<u>159,319</u>	<u>330,553</u>	<u>140,702</u>	<u>123,381</u>	<u>264,083</u>
Creditors: amounts falling due within one year	16	42,450	9,775	52,225	39,417	3,927	43,344
Net Current Assets		<u>128,784</u>	<u>149,544</u>	<u>278,328</u>	<u>101,285</u>	<u>119,454</u>	<u>220,739</u>
Total Assets Less Current Liabilities		<u>1,168,914</u>	<u>298,254</u>	<u>1,467,168</u>	<u>1,152,391</u>	<u>272,114</u>	<u>1,424,505</u>
Net Assets		<u>1,168,914</u>	<u>298,254</u>	<u>1,467,168</u>	<u>1,152,391</u>	<u>272,114</u>	<u>1,424,505</u>
Charity Funds							
Unrestricted funds		1,119,748	298,254	1,418,002	1,099,502	272,114	1,371,616
Restricted funds		49,166	-	49,166	52,889	-	52,889
Total Funds	18 & 19	<u>1,168,914</u>	<u>298,254</u>	<u>1,467,168</u>	<u>1,152,391</u>	<u>272,114</u>	<u>1,424,505</u>

THE SILK HERITAGE TRUST

Balance Sheet as at 31 March 2022- continued

These financial statements have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS 102 SORP.

The financial statements were approved and authorised for issue by the trustees on the 20th December 2022 and signed on their behalf by:

A handwritten signature in black ink, consisting of a stylized 'J' followed by a large, loopy 'V' and a smaller 'E'.

Mr John Varney - Chairman of Trustees

The notes on pages 15 to 25 form part of these accounts.

1. ACCOUNTING POLICIES

a) Basis of preparation and assessment of going concern

The financial statements of the charitable company, which is a public benefit entity under FRS102, have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP FRS102 – effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments, which are included at market value as modified by the revaluation of certain assets.

The Silk Heritage Trust, formally known as Macclesfield Museums Trust has been granted a Uniting Direction by the Charities Commission . The effect of this is that these accounts must also report on the financial activities of The Silk Heritage Endowed Charity, formerly known as Macclesfield Sunday School Heritage Centre Trust.

The Trustees are of a view that there are no material uncertainties about the Trust's ability to continue as a going concern.

The trust received government grants totalling £86,000 in the year towards the provision of Museum Services. The financial statements are prepared in sterling which is also the functional currency of the trust.

b) Company status

The trust is a company limited by guarantee.

c) 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 trust 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 trust for particular purposes.

The aim and use of each restricted fund is set out in the notes to the financial statements.

d) Incoming resources and debtors

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of incoming resources can be measured reliably. Income from grants is recognised when the charity has entitlement to the funds, conditions have been met, is probable to be received and can be measured reliably.

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

e) Resources expended and creditors

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Fundraising costs are those incurred in seeking voluntary contributions. Management and administration costs are those in connection with administration of the charity and compliance with the constitutional and statutory requirements.

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2022 - continued

1. ACCOUNTING POLICIES (continued)

f) Tangible fixed assets and depreciation

Tangible Fixed Assets are stated at cost.

Depreciation is provided on Buildings and Fixtures, Fittings and Equipment on a straight line basis over the expected useful lives of the assets concerned. The rates used for this purpose are:

	<u>Period (years)</u>
Fixtures and Fittings	10
Buildings	50

The Museum's exhibits are not represented in the balance sheet.

The depreciation on buildings is included at 2% of the difference between the current market value and the original cost.

Artefacts purchased by the Museum are not capitalised but are treated as expenditure in the SOFA in the period in which it occurred.

g) Heritage costs

The original land and buildings of the Macclesfield Sunday School were transferred to the Silk Heritage Trust Endowed Charity by a trust deed dated 31 October 1981. The property is a Grade II listed building. It was built in 1813 for the recreation and education of the local community. The charity uses the property to fulfil its objectives by providing rooms for recreational and educational facilities.

The property has not been capitalised as the original cost is unavailable and onerous costs would have to be incurred for the property to be reliably valued. It is also owned as specie property under an Endowed Trust as a Historic asset.

h) Stock

Stock is represented by shop goods for resale which are stated at the lower of cost or net realisable value. Provision has been made where it is considered that stock is obsolete or slow moving.

i) Pension costs

The company operates a work place pension scheme which is a defined contributions scheme with the Peoples Pension. Contributions payable for the year are charged to the SOFA.

j) Investments

Listed investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

k) 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.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2022 - continued

	Silk Heritage Trust		Silk Heritage Trust Endowed Charity		Silk Heritage Trust		Silk Heritage Trust Endowed Charity		Total Funds 2021	£
	Unrestricted Funds 2022	Restricted Funds 2022	Unrestricted Funds 2022	Restricted Funds 2022	Unrestricted Funds 2021	Restricted Funds 2021	Unrestricted Funds 2021	Restricted Funds 2021		
£	£	£	£	£	£	£	£	£	£	£

2. DONATIONS AND LEGACIES

Donations	10,961	-	1,304	12,265	5,887	15,000	1,517	22,404
	10,961	-	1,304	12,265	5,887	15,000	1,517	22,404

3. GRANTS

Cheshire East Council	86,000	-	12,090	98,090	86,000	-	-	86,000
Cheshire East Council covid Support	4,000	-	-	4,000	78,400	4,900	-	83,300
Arts Council	62,247	85,924	-	148,171	27,484	5,000	-	32,484
CRF	-	19,424	-	19,424	-	1,500	-	1,500
Headley Fellowship	-	53,800	-	53,800	-	4,800	-	4,800
Architectural Heritage Fund	-	22,800	-	22,800	-	6,160	-	6,160
IMA	400	-	-	400	-	27,650	-	27,650
Heritage Compass	2,000	-	-	2,000	-	9,200	-	9,200
AIA	991	-	-	991	-	-	-	-
Association of Industrial Heritage Green	2,400	-	-	2,400	-	-	-	-
	-	3,500	-	3,500	2,594	-	-	2,594
Job Support Scheme	11,170	-	-	11,170	27,372	-	-	27,372
	169,208	185,448	12,090	366,746	221,850	59,210	-	281,060

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2022- continued

	Silk Heritage Trust Unrestricted Funds		Silk Heritage Trust Restricted Funds		Silk Heritage Trust Endowed Charity Unrestricted Funds		Silk Heritage Trust Restricted Funds		Silk Heritage Trust Endowed Charity Unrestricted Funds		Total Funds	
2022	2022	2022	2022	2022	2021	2021	2021	2021	2021	2021	2021	2021
£	£	£	£	£	£	£	£	£	£	£	£	£
	34,024	-	-	34,024	1,269	-	-	1,269	-	-	-	1,269
Museum fees	-	-	-	38,561	1,400	-	-	1,400	-	-	-	15,320
Function room hire	-	-	-	25,725	-	-	-	-	-	-	-	7,446
Auditorium hire	4,203	-	556	4,759	344	-	-	344	-	-	-	621
Other income	38,227	-	64,842	103,069	3,013	-	-	3,013	-	-	-	24,656

4. FEES

The Silk Heritage Trust has recharged certain establishment costs incurred on behalf of the Silk Heritage Trust Endowed Charity.

5. INVESTMENT INCOME

Bank interest received	6	-	5	11	24	-	-	24	-	-	4	28
	6	-	5	11	24	-	-	24	-	-	4	28

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2022 - continued

6. TOTAL RESOURCES EXPENDED

	Silk Heritage Trust 2022				Silk Heritage Trust 2021				Silk Heritage Trust 2021				TOTAL	
	Unrestricted Funds		Restricted Funds		Unrestricted Funds		Restricted Funds		Unrestricted Funds		Restricted Funds			
	Fundraising & trading	Charitable Activities	Charitable Activities	Charitable Activities	Fundraising & trading	Charitable Activities	Charitable Activities	Charitable Activities	Fundraising & trading	Charitable Activities	Charitable Activities	Charitable Activities		
£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Costs directly allocated to activities														
Staff costs	-	81,521	20,520	20,000	122,041	-	77,046	10,817	13,000	-	-	-	100,863	-
Advertising	-	13,709	-	447	14,156	-	-	-	-	-	-	-	348	-
Travel	-	892	-	-	892	-	348	-	-	-	-	-	1,187	-
Goods for resale	9,078	-	-	-	9,078	1,187	-	-	-	-	-	-	18,929	-
Display and Exhibition costs	-	5,572	63,227	-	68,799	-	4,461	14,468	-	-	-	-	37,455	-
Premises expenses	-	22,940	-	17,838	40,778	-	19,554	-	17,901	-	-	-	8,474	-
Insurances	-	4,800	-	-	4,800	-	6,474	-	-	-	-	-	3,301	-
Cleaning	-	4,975	-	4,189	9,164	-	1,939	1,362	-	-	-	-	2,990	-
Security	-	4,533	-	-	4,533	-	2,990	-	-	-	-	-	3,804	-
Equipment maintenance	-	-	-	-	-	-	3,804	-	-	-	-	-	23,344	-
Repairs and renewals	-	7,967	71,689	-	79,556	-	1,067	17,752	4,525	-	-	-	13,450	-
Depreciation	-	11,555	-	3,950	15,505	-	9,500	-	3,950	-	-	-	-	-
Support costs allocated to activities														
Irrecoverable VAT	-	7,840	-	-	7,840	-	7,825	-	-	-	-	-	7,825	-
Audit fee	-	1,800	-	1,500	3,300	-	2,500	-	-	-	-	-	2,500	-
Administrative & finance	-	11,950	-	-	11,950	-	6,400	-	-	-	-	-	8,400	-
Legal & Professional fees	-	6,905	33,835	3,500	44,240	-	1,215	21,850	5,500	-	-	-	28,565	-
Communications	-	7,820	-	-	7,820	-	3,490	-	-	-	-	-	3,490	-
Printing and stationery	-	1,781	-	-	1,781	-	1,007	3,425	-	-	-	-	4,432	-
Computer costs	-	6,542	-	-	6,542	-	3,874	1,543	-	-	-	-	5,417	-
Bank charges	-	501	-	-	501	1,438	10	-	-	-	-	-	1,448	-
General expenses	-	1,542	-	677	2,219	-	1,307	-	-	-	-	-	1,307	-
Total resources expended	9,078	205,145	189,171	52,101	456,496	2,625	158,811	71,217	44,876	277,529				

The basis of cost allocation is all direct.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2022 - continued

	Silk Heritage Trust	Silk Heritage Trust Endowed Charity	Silk Heritage Trust	Silk Heritage Trust Endowed Charity
	2022	2022	2021	2021
	£	£	£	£

7. NET INCOMING RESOURCES

This is stated after charging:

Depreciation	11,555	3,950	9,500	3,950
Audit fee	1,800	1,500	2,500	-
Other finance and accountancy fees	15,855	-	10,900	-

8. STAFF COSTS AND NUMBERS

Staff costs were as follows:

Salaries and wages	100,851	20,000	83,970	13,000
Social security costs	-	-	2,679	-
Employers pension contributions	1,190	-	1,214	-
Total	102,041	20,000	87,863	13,000

The average monthly head count was 18 staff (2021 - 15) and the average monthly number of full time employees during the year, was as follows.

	2022 Number	2021 Number
Management and administration	1	1
Fundraising	1	1
Charitable activities	6	4
	<u>7</u>	<u>6</u>

Approximately 15% of unrestricted staffing costs relate to the operation of the Endowed Charity.

No Employees had employee benefits in excess of £60,000 (2021 - none).

The management of the combined trust is the duty of the trustees who are unpaid.

9. TRUSTEE REMUNERATION & RELATED PARTY TRANSACTIONS

No members of the Board of Trustees (Directors) received any remuneration or expenses during the year.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during this year or the previous year.

The Macclesfield Museum Trust, now known as The Silk Heritage Trust and Macclesfield Sunday School Heritage Centre Trust, have been granted a Uniting Direction. The Endowed Charity provides rent free accommodation to The Silk Heritage Trust in return for shared expenses. At the year end, the net debt owing from the Silk Museum to the Heritage Centre was £17,113 (2021- £19,152)

10. TAXATION

As a charity, The Silk Heritage Trust is exempt from tax on income and gains falling within s505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2022 - continued

11. PENSION SCHEME

The trust made contributions to the work place pension scheme with Peoples Pension for 9 employees totalling £1,190 (2021 - £1,214).

12. TANGIBLE FIXED ASSETS

The Silk Heritage Trust

	Land & Buildings	Fixtures, Fittings & Equipment	Total
Cost	£	£	£
At 1 April 2020	1,202,215	120,489	1,322,704
Additions	-	579	579
At 31 March 2022	<u>1,202,215</u>	<u>121,068</u>	<u>1,323,283</u>
Depreciation			
At 1 April 2019	152,585	119,013	271,598
Charge for the Year	9,500	2,055	11,555
At 31 March 2022	<u>162,085</u>	<u>121,068</u>	<u>283,153</u>
Net book values			
At 31 March 2022	<u>1,040,130</u>	-	<u>1,040,130</u>
At 31 March 2021	<u>1,049,630</u>	<u>1,476</u>	<u>1,051,106</u>

The value of Land and Buildings consists of the Museum at Park Green. The development of this site was funded to a large extent by the National Lottery Heritage Fund. The conditions of the funding stipulated that if the building was ever to be sold, a percentage of the grant given of £800,000 would have to be repaid.

The Silk Heritage Trust Endowed Fund

	Building	Fixtures & Fittings	Total
Cost	£	£	£
At 1 April 2021	309,111	105,737	414,848
Additions	-	-	-
At 31 March 2022	<u>309,111</u>	<u>105,737</u>	<u>414,848</u>
Depreciation			
At 1 April 2021	159,895	102,495	262,390
Charge for the Year	3,300	650	3,950
At 31 March 2022	<u>163,195</u>	<u>103,145</u>	<u>266,340</u>
Net book values			
At 31 March 2022	<u>145,916</u>	<u>2,592</u>	<u>148,508</u>
At 31 March 2021	<u>149,216</u>	<u>3,242</u>	<u>152,458</u>

The building represents renovations and additions to the land and buildings of the Macclesfield Heritage Centre.

The original land and buildings of the Macclesfield Heritage Centre were transferred to the trust by the Trust Deed dated 31st October 1981 and have not been included in the fixed assets.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2022 - continued

13. INVESTMENTS

	2022 Nominal Value	2022 Market Value	2021 Nominal Value	2021 Market Value
	£	£	£	£
Silk Heritage Trust Endowed Charity				
City of Manchester 3%	371	202	371	202
	<u>371</u>	<u>202</u>	<u>371</u>	<u>202</u>

14. STOCK	Silk Heritage Trust 2022	Silk Heritage Trust Endowed Charity 2022	Total 2022	Silk Heritage Trust 2021	Silk Heritage Trust Endowed Charity 2021	Total 2021
	£	£	£	£	£	£
Shop goods for resale	3,782	-	3,782	5,270	-	5,270

The amount of stock recognised as an expense in the cost of sales during the year was £1,488 (2021- £2,145).

15. DEBTORS

Trade debtors & Prepayments	9,334	26,844	36,178	10,482	4,169	14,651
Other debtor	-	2,547	2,547	4,887	1,024	5,911
Silk Heritage Trust	-	17,113	17,113	-	19,152	19,152
VAT	1,455	-	1,455	-	2,659	2,659
	<u>10,789</u>	<u>46,504</u>	<u>57,293</u>	<u>15,369</u>	<u>27,004</u>	<u>42,373</u>

16. CREDITORS: Amounts falling due within one year

Trade creditors and Accruals	25,337	7,346	32,683	19,676	3,927	23,603
Silk Heritage endowed trust	17,113	-	17,113	19,152	-	19,152
VAT	-	2,429	-	589	-	589
	<u>42,450</u>	<u>9,775</u>	<u>49,796</u>	<u>39,417</u>	<u>3,927</u>	<u>43,344</u>

17 SHARE CAPITAL

The company is incorporated under the Companies Act 2006 and is limited by guarantee and therefore does not have a share capital.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2022 - continued

18. STATEMENT OF FUNDS

	<i>Balance at 31st March 2021</i>	<i>Incoming Resources</i>	<i>Outgoing Resources</i>	<i>Transfer between Funds</i>	<i>Balance at 31st March 2022</i>
	£	£	£	£	£
Unrestricted Funds					
The Silk Heritage Trust	1,099,502	234,469	214,223	-	1,119,748
The Silk Heritage Trust Endowed Charity	272,114	78,241	52,101	-	298,254
Total Unrestricted Funds	1,371,616	312,710	266,324	-	1,418,002
Restricted Funds					
The Silk Heritage Trust					
AIM	1,906	-	1,906	-	-
Sustainable improvement	2,200	-	-	-	2,200
New Homes Bonus	10,007	-	10,007	-	-
Green	-	3,500	-	-	3,500
Arts Council Funding	-	105,348	105,348	-	-
Reimagine Fund	-	27,000	4,189	-	22,811
Hedley Fellowship	-	26,800	7,442	-	19,358
AIA	-	22,800	22,800	-	-
University of Manchester	9,200	-	9,200	-	-
Friends of Macclesfield Silk Heritage Textile support	6,675	-	6,675	-	-
Friends of Macclesfield Silk Heritage Ancient Egypt	7,481	-	7,481	-	-
Textile Society	4,800	-	3,503	-	1,297
Historic England	10,620	-	10,620	-	-
Total Restricted Funds	52,889	185,448	189,171	-	49,166
TOTAL FUNDS	1,424,505	498,158	455,495	-	1,467,168

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2021 - continued

18 STATEMENT OF FUNDS (continued)

Unrestricted Funds

The Silk Heritage Trust - These represent the accumulated unrestricted general funds of the Trust.

The Silk Heritage Trust Endowed Fund - These represent the accumulated unrestricted general funds of the Endowed Charity

Restricted Funds

During the financial year 2021 - 22 the Silk Heritage Trust worked with restricted funds from a range of sources:-

Cheshire East Council's annual grant, AIM,, is awarded in relation to the Service Level Agreement with the Trust based on effectively managing the museum collections and increasing public and educational engagement with these collections.

Museum Development North West awarded a Sustainable Improvement Fund grant (SIF) to support the development of schools' loans boxes as part of our work to refresh our learning programme.

An award from the New Homes Bonus scheme is contributing to the transformation of the Old Sunday School as a creative, community hub for Macclesfield.

The second tranche of a grant from the Arts Council Recovery Fund, ACE CRF, which offers financial support for cultural organisations has been received in the year.

A Green grant has been received from the University of Manchester to support museumsto accelerate their action against climate change.

The Arts Council Funding is the combination of the Cultural Recovery Fund and Emergency Resource Support grants for support of organisations that were financially stable before Covid-19, but were at risk of failure.

The Headley Fellowships with Art Fund aims to encourage collections-focused projects by developing and preserving specialist curatorial skills and expertise in regional museums, enabling knowledge to be shared as widely as possible across the sector. The Fellowship was awarded to Kathryn Warburton.

The Reimagine Fund is designed to inspire creativity and increase stability in the sector. It supports organisations to develop or refresh their work in response to the challenges posed by the pandemic. This grant has supported a development programme at Paradise Mill.

The Association for Industrial Archaeology, AIA, Grant has been given for industrial heritage restoration projects.

A grant from the university of Manchester was awarded in 2021 to assist with covid recovery.

Thes two funds are remains of Grants made by The Friends of Macclesfield Silk Heritage in support of two museum programs, the Textile Support and Ancient Egypt Funds.

A grant was awarded by the Textile Society in support of restoration of the fabric collections held by the museum.

A grant from Historic England was given to support the restoration of the windows in the Old Sunday School.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2022 - continued

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	2022
	£	£	£
The Silk Heritage Trust			
Tangible Fixed Assets	1,040,130	-	1,040,130
Net Current assets	79,618	49,166	128,784
	1,119,748	49,166	1,168,914
The Silk Heritage Trust Endowed Charity			
Tangible Fixed Assets	148,508	-	148,508
Investments	202	-	202
Net Current Assets	149,544	-	149,544
	298,254	-	298,254

20 INTER TRUST LOAN

As at the balance sheet date the inter trust loan outstanding was £ 17,113 owing to the Endowed Charity by the Silk Heritage Trust.

THE SILK HERITAGE TRUST

England & Wales - Charity number 519521

Accounts

Registered Company number 02182687 (England & Wales)
Registered Charity Number 519521

THE SILK HERITAGE TRUST
LINKED REPORT AND ACCOUNTS FOR THE YEAR ENDED
31ST MARCH 2021

HEYWOOD SHEPHERD
CHARTERED ACCOUNTANTS

THE SILK HERITAGE TRUST

Financial Statements for the year ended 31 March 2021

Contents	Page
Legal and Administrative Information	1 - 2
Report of the Trustees	3 - 8
Independent Auditor Report	9 - 11
Statement of Financial Activities	12
Balance Sheet	13 - 14
Notes forming part of the financial statements	15 - 25

Legal and Administrative Information

Company Name

The Silk Heritage Trust

Registered Office

The Heritage Centre
Roe Street
Macclesfield
Cheshire SK11 6UT

Registered Charly

No 519 521

Company Registration

No 2182687

Governing Document

Articles of Association

Directors and Trustees

Mr John Varney (Chair)
Mr Nicholas Hynes
Mr Roy Pownall
Ms Catherine Dewar
Miss Dominique Roberts (resigned 3 November 2020)
Cllr Lesley Smetham
Cllr Janet Jackson (Friends of Macclesfield Silk Heritage nominee)
Ms Hannah Williamson
Mr Anthony Davison (resigned 1 April 2020)
Mr David Shatwell
Cllr Elizabeth Braithwaite
Mr P Cole (Appointed 7 May 2021)

Museum Director (Interim)

Emma Anderson

Company Secretary

Emma Anderson

Independent Examiners

Heywood Shepherd
Chartered Accountants & Registered Auditors
1 Park Street
Macclesfield
Cheshire SK11 6SR

Payroll Consultants

Heywood Shepherd

Bankers

The Co-operative Bank
1 Balloon Street
Manchester M60 4EP

Royal Bank of Scotland
56 Chestergate
Macclesfield SK11 6BA

National Westminster Bank
PO Box 65
2 Chestergate
Macclesfield Sk11 6BA

The full name of the Charity is the Silk Heritage Trust. Its registered office and principal operating address is The Heritage Centre, Roe Street, Macclesfield, Cheshire, SK11 6UT.

Constitution

The Company (The Trust) was incorporated on 23 October 1987 and is limited by guarantee with charitable status, and accordingly no distributions are allowed. The Trust, formerly known as the Macclesfield Museums Trust, was granted a uniting direction on 10 December 2008 which had the effect of uniting the Macclesfield Museums Trust with the Silk Heritage Trust Endowed Charity, formerly the Macclesfield Sunday School Heritage Centre Trust. A new body of trustees was formed which also serves corporately as the Trustees for the Endowed Charity.

The Trust is governed by the Articles of Association dated 10th September 2012, which replaced the Memorandum and Articles dated 10th December 2008.

The Board of Trustees shall consist of no less than **nine** and not more than **eighteen** members, unless the Members pass a Special Resolution to change these numbers. The Trustees have the power to appoint any person to be a Trustee, but the total number of Trustees shall not exceed the maximum of eighteen.

The Trustees, who are also Directors under Company law, who served during the year and subsequently are shown on page 1. None of the Trustees have any financial interest in the Company.

Trustee Induction and Training

New Trustees are given an Induction Pack which contains a briefing on their legal obligations under Charity and Company law, the Articles of Association, the committee and decision-making processes, the Business Plan and recent financial performance of the Company. Familiarisation visits are arranged, and Trustee training events are held, as necessary, to facilitate the undertaking of their role.

Organisation

The Board of Trustees administers the Charity. A Museum Director is appointed by the Trustees to manage the day to day operations of the Charity. The Board meets four times per annum, and the following sub-committees meet as shown:

Property Committee

Meets six times per annum and acts as a review and advisory committee to the Board in the areas of commercialisation, development, maintenance and management of the Trust's property portfolio; including managing risk, strategy, planning and major projects.

Objectives and Activities

The objects of the Trust are stated in the Memorandum and Articles as (1) the advancement of the education of the public by the provision of museum and ancillary facilities; and (2) and any other charitable purpose for the benefit of the public.

Financial Review

In this period the Silk Heritage Trust has made a surplus of £51,725. Operationally the Silk Heritage Trust made a surplus of £61,444 and the Heritage Centre Trust made a deficit of £12,712. The Silk Heritage Trust fulfilled many restricted responsibilities resulting in net income of £2,993 increasing restricted funds carried forward to £52,889.

Priorities for the Trust going forward are to create a sustainable balance sheet with net reserves which will provide operational stability. The Balance Sheet is getting stronger through careful cost management and a proactive approach to diversifying income.

Principal Risks and Uncertainties

The Trustees have reviewed the major risks to which the Charity is exposed, particularly those related to the operations and finances of the Trust. The Trustees have given consideration to the appropriate policies, procedures and systems to mitigate the Charity's exposure to the major risks. The principal financial risk facing the Charity is the ability to generate sufficient income from charitable activities and external funding to cover expenditure incurred in fulfilling the objectives of the Charity.

Investment Powers and Policy

The Articles of Association of the Charity permit the Trustees to invest the moneys of the Company not immediately required for its objects in or upon such investments, securities or property as be thought fit.

The Trust's investments are currently restricted to UK banks and government bonds.

Reserves Policy

The Trustees aspire to retain three month's operating costs in reserve. As at 31st March 2021, the Charity's free reserves, as defined as unrestricted funds not represented by fixed assets had reached this amount.

Achievements and Performance

Our work during 2020-2021 built on the transformation programme the Trust had begun two years previously. The Trustees had previously been pleased to report that the Trust was financially viable due to steps taken in recent years to strengthen robustness through reducing outgoings & diversifying income streams.

This put us in a strong position in our immediate response to the pandemic, nonetheless the sudden loss of key income streams meant that we had to address the shortfall through a significant reduction in expenditure – stripping operations down to essentials and cutting back expenditure. Although all buildings were closed to visitors, staff remained working behind the scenes, consistent with Covid protection provisions, during the first lockdown and this was an opportunity to undertake valuable work in our buildings and with our collections.

The Old Sunday School remained open throughout for partners providing essential services for vulnerable people. As far as possible, we enabled this by opting to spend a significant proportion of reserves to replace and repair the windows, allowing better ventilation and a safer working environment.

The operations of our key partner Cinemac were hit particularly hard, not only by enforced closure, followed by reduced audiences but by the halting of film production globally and this has had a consequential effect on our finances.

The Silk Museum closed for most of the year, except for a brief opening period between September – November 2020, when we welcomed back visitors through pre-booked visits for small groups. Paradise Mill was closed for the entire year because social distancing was impossible to implement in this complex, heritage environment and because our elderly guides were shielding.

The limitations of West Park Museum building, in its restricted access and air flow, have meant that it has not been possible to open this to the public.

Governance

John Varney and Catherine Dewar were re-elected at the AGM as Chair and Vice-Chair respectively for a further term. Antony Davidson resigned as a Trustee due to conflicting pressures on his time; his expertise in formal education had been extremely valuable to the Trust.

The Trust focussed on managing its responsibilities for the wellbeing and safety of staff and visitors in line with all Government guidelines. The Trust has regularly monitored cash flow. A dedicated Risk Assessment Sub-group of Trustees and staff reviewed the changing public health context to adapt operations, control financial risk and ensure safety at all times during the various phases of the pandemic.

The Trust is grateful to our President, David Rutley, MP, for his support for our work, our development plans and recognition of the Trust's key role in the town's recovery. During the

period, and thanks to available grant funding, the Trust to bring in external expertise to collaborate with Trustees and the Director in addressing key issues of its role and responsibilities for its buildings, collections and audiences.

Financial management

Management and monitoring of the Trust's financial position has been challenging through this period, due to the impact of lost income streams. We are very grateful to our Accountants Heywood Shepherd for guidance and support in funding applications.

The Trust would have been in a more difficult position were it not for Government support delivered through grants to businesses from Cheshire East and through the furlough scheme which the Trust benefitted from during the second lockdown from November 2020 onwards. Staff were on full or partial furlough from November until the beginning of April 2021 and this has avoided the need for a more drastic approach.

Despite no dedicated fundraising capacity, the Director and staff worked extremely hard to secure grant funding from a wide range of sources in order to survive this financial year, protect our nationally significant collections and serve our audiences. The following grants were secured:

Arts Council England: Emergency Funding and Cultural Recovery Funding to support the Trust's operations

National Heritage Lottery Fund: Emergency Fund towards Silk Museum reopening

Historic England: for repairs to the Old Sunday School's windows which had become vital in ensuring a safe air flow for all building users

Architectural Heritage Fund: Project Viability grant to explore a viable new business and operational model for the Old Sunday School; Project Development grant to support a transformational vision for the Silk Museum and Paradise Mill to inform its long-term role in the town and in Cheshire as a major heritage attraction

Community and Arts smaller funders: Support for creative programmes with vulnerable older people; & new models for our Schools' offer

The Trust also diversified its fundraising by launching on-line donations, bookings and benefitting from small bequests

New relationships

The pandemic highlighted the strength and value of our relationship with Cheshire East Council. The Trust remains grateful for the ongoing revenue funding, plus additional funding streams that have allowed us to extend our work to reach communities. Grants from CEC and Cheshire Community Fund supported the production of Art Packs inspired by our *Have a Dabble* programme. These packs ensured that vulnerable older people could continue to enjoy creative activities, and this impacted on their wellbeing; the packs were also distributed more widely through *Macclesfield Live Well at Home*, and *Macclesfield SMILE*.

The Friends of Macclesfield Silk Heritage have remained an important source of support for the museum. The pandemic hit the Friends hard due to its elderly membership and the cancellation of all its in-person events. Nonetheless we have collaborated to develop an

ambitious programme of online talks, which have raised the profile of our collections and reached new, international audiences as well as creating a new income stream from donations. The Friends gave significant support to the Museum from their limited reserves, the expansion of our Curator's work on the Fashion & Textiles collections, and the Curatorial Assistant's research into the Ancient Egyptian collections.

We were thrilled that the Silk Museum received the Textiles' Society's Museum Award. This vote of confidence in such challenging times, has helped drive our new model of conservation – research – engagement that is informing the development of our collections. This enabled us to extend the Conservator in Residence funded through the Association of Independent Museums and focus on our Macclesfield Stripe textiles collections.

New Ways of Working

From the beginning of lockdown, we worked hard to maintain relationships with audiences: - adult visitors, families school partners and their communities, so that everyone could develop and express creativity. We developed a blog of activities tied to our collections on our website and shared through our social media channels.

We have continued our vision for Macclesfield Museums as the place to capture history in the making, and grant funding from the Arts Council, enabled us to work with LIT (Macclesfield's literature festival) to encourage creative writing amongst local communities.

Our relationships with schools had to be completely reimagined because of the pandemic. Funding from Museum Development North West supported a partnership with Nantwich Museum, which has helped develop Virtual Visit local history packages for local schools to enhance existing relationships and reach new audiences. Our schools' programme has delivered a successful programme of Loan Boxes and Virtual Visits which will continue to inform our work post-pandemic.

The Trust was delighted to be able to develop its relationship with Project Inc, by creating new studio spaces in the Old Sunday School for teaching art to vulnerable young people. Continuing these activities during the pandemic were a lifeline for many of these students.

The Trust has been able to develop new partnerships during lockdown. A partnership is being developed with Scoop & Scales, a social enterprise food co-operative operating from the Old Sunday School, and this has helped evaluate our vision for the repurposing building.

On behalf of the Board of Trustees, I would like to extend our enormous thanks to the Director, Emma Anderson, and her team at the museums. Without their dedication, drive and determination to ensure our Museums not only survive, but thrive during the uncertainty of the pandemic, we would not now be in a position of being able to consider an exciting, vibrant future for our buildings and collections.

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company, and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the Special Provisions of part 15 of the Companies Act 2006 relating to small companies.

The Trustees' Report was approved by the Board and signed on its behalf by:

John Varney
Chair, Silk Heritage Trust
Date : 20th January 2022

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE SILK HERITAGE TRUST
Linked Financial Statements for the year ended 31 March 2021**

Opinion

We have audited the financial statements of the Silk Heritage Trust for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its result, 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Conclusions relating to going concern

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE SILK HERITAGE TRUST
Linked Financial Statements for the year ended 31 March 2021**

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors 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 a Report of the Independent Auditors 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, are detailed below:

Our approach to identifying and assessing the risks of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussions with trustees and management, and from our knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities SORP FRS102, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation);
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatements, 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;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE SILK HERITAGE TRUST
Linked Financial Statements for the year ended 31 March 2021**

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

- Performed analytical procedures to identify any unusual or expected relationships;
- Investigate 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 minutes of meetings of those charged with governance;
- enquiring of management as to actual potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from errors as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Other Matters

We draw your attention to the fact that the prior year comparative figures have not been audited as there was no requirement or request from the members.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr N A Kennington FCA (Senior Statutory Auditor)
for and on behalf of
Heywood Shepherd
Statutory Auditor
1 Park Street
Macclesfield
SK11 6SR

Date : 20th January 2022

THE SILK HERITAGE TRUST

Statement of Financial Activities Including Income and Expenditure Account for the year ended 31 March 2021

Income	Notes	Silk Heritage Trust		Silk Heritage Trust Endowed Charity		Silk Heritage Trust		Silk Heritage Trust Endowed Charity		Total	2020	£
		Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted			
		2021	2021	2021	2021	2020	2020	2020	2020	2020	2020	£
Donations and Legacies												
Donations	2	5,887	15,000	1,517	22,404	18,999	-	1,517	-	20,516		
Grants	3	221,850	59,210	-	281,060	86,000	119,700	-	-	205,700		
Income from charitable activities:												
Fees	4	3,013	-	21,643	24,656	59,496	-	89,892	-	149,388		
Income from other trading activities:												
Shop income		1,106	-	-	1,106	29,643	-	-	-	29,643		
Investment income	5	24	-	4	28	137	-	14	-	151		
TOTAL INCOME		231,880	74,210	23,164	329,254	194,275	119,700	91,423	-	405,398		
Expenditure												
Costs of raising funds												
Fundraising and trading: cost of goods sold and other costs		2,625	-	-	2,625	26,351	-	-	-	26,351		
Charitable activities		158,811	71,217	44,876	274,904	129,135	106,320	83,382	-	318,837		
TOTAL EXPENDITURE	6	161,436	71,217	44,876	277,529	155,486	106,320	83,382	-	345,188		
Net income/expenditure		70,444	2,993	(21,712)	51,725	38,789	13,380	8,041	-	60,210		
Transfers between funds		(9,000)	-	9,000	-	-	-	-	-	-		
NET MOVEMENT IN FUNDS		61,444	2,993	(12,712)	51,725	38,789	13,380	8,041	-	60,210		
Reconciliation of funds												
Total funds brought forward		1,038,058	49,896	284,826	1,372,780	999,269	36,516	276,785	-	1,312,570		
TOTAL FUNDS CARRIED FORWARD		1,099,502	52,889	272,114	1,424,505	1,038,058	49,896	284,826	-	1,372,780		

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities. The notes on pages 15 to 25 form part of these accounts.

THE SILK HERITAGE TRUST

Balance Sheet as at 31 March 2021

		Silk Heritage Trust 2021	Silk Heritage Trust Endowed Charlty 2021	Total 2021	Silk Heritage Trust 2020	Silk Heritage Trust Endowed Charity 2020	Total 2020
Notes	£	£	£	£	£	£	£
Fixed Assets							
Tangible assets	12	1,051,106	152,458	1,203,564	1,059,130	156,408	1,215,538
Investments	13	-	202	202	-	202	202
		<u>1,051,106</u>	<u>152,660</u>	<u>1,203,766</u>	<u>1,059,130</u>	<u>156,610</u>	<u>1,215,740</u>
Current Assets							
Stock	14	5,270	-	5,270	4,790	-	4,790
Debtors	15	15,369	27,004	42,373	6,697	48,448	55,145
Cash at bank and in hand		120,063	96,377	216,440	81,176	83,067	164,243
		<u>140,702</u>	<u>123,381</u>	<u>264,083</u>	<u>92,663</u>	<u>131,515</u>	<u>224,178</u>
Creditors: amounts falling due within one year	16	39,417	3,927	43,344	63,839	3,299	67,138
Net Current Assets		<u>101,285</u>	<u>119,454</u>	<u>220,739</u>	<u>28,824</u>	<u>128,216</u>	<u>157,040</u>
Total Assets Less Current Liabilities		<u>1,152,391</u>	<u>272,114</u>	<u>1,424,505</u>	<u>1,087,954</u>	<u>284,826</u>	<u>1,372,780</u>
Net Assets		<u>1,152,391</u>	<u>272,114</u>	<u>1,424,505</u>	<u>1,087,954</u>	<u>284,826</u>	<u>1,372,780</u>
Charity Funds							
Unrestricted funds		1,099,502	272,114	1,371,616	1,038,058	284,826	1,322,884
Restricted funds		52,889	-	52,889	49,896	-	49,896
Total Funds	18 & 19	<u>1,152,391</u>	<u>272,114</u>	<u>1,424,505</u>	<u>1,087,954</u>	<u>284,826</u>	<u>1,372,780</u>

THE SILK HERITAGE TRUST

Balance Sheet as at 31 March 2021- continued

These financial statements have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS 102 SORP.

The financial statements were approved and authorised for issue by the trustees on the 20th January 2022 and signed on their behalf by:

Mr John Varney - Chairman of Trustees

The notes on pages 15 to 25 form part of these accounts.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2021

1. ACCOUNTING POLICIES

a) Basis of preparation and assessment of going concern

accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102 section 1A and the requirements of the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless stated in the relevant accounting policy note.

The Silk Heritage Trust, formally known as Macclesfield Museums Trust has been granted a Uniting Direction by the Charities Commission. The effect of this is that these accounts must also report on the financial activities of The Silk Heritage Endowed Charity, formerly known as Macclesfield Sunday School Heritage Centre Trust.

The Trustees are of a view that there are no material uncertainties about the Trust's ability to continue as a going concern.

The Silk Heritage Trust meets the definition of a public benefit entity under FRS 102.

The trust received government grants totalling £86,000 in the year towards the provision of Museum Services.

The financial statements are prepared in sterling which is also the functional currency of the trust.

b) Company status

The trust is a company limited by guarantee.

c) 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 trust 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 trust for particular purposes.

The aim and use of each restricted fund is set out in the notes to the financial statements.

d) Incoming resources and debtors

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of incoming resources can be measured reliably. Income from grants is recognised when the charity has entitlement to the funds, conditions have been met, is probable to be received and can be measured reliably.

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

e) Resources expended and creditors

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Fundraising costs are those incurred in seeking voluntary contributions. Management and administration costs are those in connection with administration of the charity and compliance with the constitutional and statutory requirements.

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2021 - continued

1. ACCOUNTING POLICIES (continued)

f) Tangible fixed assets and depreciation

Tangible Fixed Assets are stated at cost.

Depreciation is provided on Buildings and Fixtures, Fittings and Equipment on a straight line basis over the expected useful lives of the assets concerned. The rates used for this purpose are:

	<u>Period (years)</u>
Fixtures and Fittings	10
Buildings	50

The Museum's exhibits are not represented in the balance sheet.

The depreciation on buildings is included at 2% of the difference between the current market value and the original cost.

Artefacts purchased by the Museum are not capitalised but are treated as expenditure in the SOFA in the period in which it occurred.

g) Heritage costs

The original land and buildings of the Macclesfield Sunday School were transferred to the Silk Heritage Trust Endowed Charity by a trust deed dated 31 October 1981. The property is a Grade II listed building. It was built in 1813 for the recreation and education of the local community. The charity uses the property to fulfil its objectives by providing rooms for recreational and educational facilities.

The property has not been capitalised as the original cost is unavailable and onerous costs would have to be incurred for the property to be reliably valued. It is also owned as specie property under an Endowed Trust as a Historic asset.

h) Stock

Stock is represented by shop goods for resale which are stated at the lower of cost or net realisable value. Provision has been made where it is considered that stock is obsolete or slow moving.

i) Pension costs

The company operates a work place pension scheme which is a defined contributions scheme with the Peoples Pension. Contributions payable for the year are charged to the SOFA.

j) Investments

Investments are a form of financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation in the year.

k) 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.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2021 - continued

	Silk Heritage Trust Unrestricted Funds 2021	Silk Heritage Trust Restricted Funds 2021	Silk Heritage Trust Endowed Charity Unrestricted Funds 2021	Total Funds 2021	Silk Heritage Trust Unrestricted Funds 2020	Silk Heritage Trust Restricted Funds 2020	Silk Heritage Trust Endowed Charity Unrestricted Funds 2020	Total Funds 2020
£	£	£	£	£	£	£	£	£
Donations	5,887	15,000	1,517	22,404	18,999	-	1,517	20,516
	5,887	15,000	1,517	22,404	18,999	-	1,517	20,516
Cheshire East Council	86,000	-	-	86,000	86,000	30,000	-	116,000
Cheshire East Council covid Support	78,400	4,900	-	83,300	-	-	-	-
Arts Council	27,484	5,000	-	32,484	-	3,000	-	3,000
Cheshire East - Have a Dabble	-	1,500	-	1,500	-	33,000	-	33,000
Textile Society	-	4,800	-	4,800	-	9,100	-	9,100
Architectural Heritage Fund	-	6,160	-	6,160	-	9,600	-	9,600
Historic England	-	27,650	-	27,650	-	-	-	-
University of Manchester	-	9,200	-	9,200	-	35,000	-	35,000
AIM	2,594	-	-	2,594	-	-	-	-
Job Support Scheme	27,372	-	-	27,372	-	-	-	-
	221,850	59,210	-	281,060	86,000	119,700	-	205,700

2. DONATIONS AND LEGACIES

3. GRANTS

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2021- continued

	Silk Heritage Trust Unrestricted Funds		Silk Heritage Trust Restricted Funds		Silk Heritage Trust Endowed Charity Unrestricted Funds		Silk Heritage Trust Endowed Charity Restricted Funds		Silk Heritage Trust Endowed Charity Total Funds	
£	2021	£	2021	£	2021	£	2021	£	2021	£
Museum fees	1,269	-	-	1,269	54,856	-	-	-	-	54,856
Function room hire	1,400	-	13,920	15,320	3,457	-	-	8,463	11,920	
Auditorium hire	-	-	7,446	7,446	-	-	-	81,379	81,379	
Other income	344	-	277	621	1,183	-	-	50	1,233	
	3,013	-	21,643	24,656	59,496	-	-	89,892	149,388	

4. FEES

The Silk Heritage Trust has recharged certain establishment costs incurred on behalf of the Silk Heritage Trust Endowed Charity.

5. INVESTMENT INCOME

Bank interest received	24	-	4	28	137	-	-	14	151
	24	-	4	28	137	-	-	14	151

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2021 - continued

6. TOTAL RESOURCES EXPENDED

	Silk Heritage Trust 2021		Silk Heritage Trust 2021		Silk Heritage Trust 2021		Silk Heritage Trust 2020		Silk Heritage Trust 2020		TOTAL	
	Unrestricted Funds		Restricted Funds		Unrestricted Funds		Unrestricted Funds		Restricted Funds		TOTAL	
	Fundraising & trading	Charitable Activities	Charitable Activities	Charitable Activities	Fundraising & trading	Charitable Activities	Fundraising & trading	Charitable Activities	Fundraising & trading	Charitable Activities	Fundraising & trading	Charitable Activities
	£	£	£	£	£	£	£	£	£	£	£	£
Costs directly allocated to activities												
Staff costs	-	77,046	-	10,817	13,000	100,863	16,376	61,570	35,913	30,000	143,859	
Advertising	-	-	-	-	-	-	-	-	5,968	-	5,968	
Travel	-	348	-	-	-	348	-	276	-	-	276	
Goods for resale	1,187	-	-	-	-	1,187	8,274	-	-	-	8,274	
Display and Exhibition costs	-	4,461	-	14,468	-	18,929	-	410	19,164	-	19,574	
Premises expenses	-	19,554	-	-	17,901	37,455	-	19,008	2,863	30,701	52,572	
Insurances	-	8,474	-	-	-	8,474	-	6,038	-	3,000	9,038	
Cleaning	-	1,939	-	1,362	-	3,301	-	4,006	-	2,522	6,528	
Security	-	2,990	-	-	-	2,990	-	2,934	-	872	3,806	
Equipment maintenance	-	3,804	-	-	-	3,804	-	767	-	-	767	
Repairs and renewals	-	1,067	-	17,752	4,525	23,344	-	-	15,770	254	16,024	
Depreciation	-	9,500	-	-	3,950	13,450	-	10,256	-	3,950	14,206	
Bad debt	-	-	-	-	-	-	-	-	-	1,788	1,788	
PRS Licence	-	-	-	-	-	-	-	2,790	-	295	3,085	
Support costs allocated to activities												
Irrecoverable VAT	-	7,825	-	-	-	7,825	-	-	-	-	-	
Accountancy	-	2,500	-	-	-	2,500	-	3,000	-	-	3,000	
Administrative & finance	-	8,400	-	-	-	8,400	-	10,585	-	7,000	17,585	
Legal & Professional fees	-	1,215	-	21,850	5,500	28,565	-	-	24,960	-	24,960	
Communications	-	3,490	-	-	-	3,490	-	2,829	-	1,250	4,079	
Printing and stationery	-	1,007	-	3,425	-	4,432	-	738	1,021	500	2,257	
Computer costs	-	3,874	-	1,543	-	5,417	-	2,004	-	750	2,754	
Bank charges	1,438	10	-	-	-	1,448	1,701	-	-	-	1,701	
Training	-	-	-	-	-	-	-	324	-	-	324	
General expenses	-	1,307	-	-	-	1,307	-	1,602	661	500	2,763	
Total resources expended	2,625	158,811	71,217	44,876	277,529	26,351	129,135	106,320	83,362	345,188		

The basis of cost allocation is all direct

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2021 - continued

Silk Heritage Trust	Silk Heritage Trust Endowed Charity	Silk Heritage Trust	Silk Heritage Trust Endowed Charity
2021	2021	2020	2020
£	£	£	£

7. NET INCOMING RESOURCES

This is stated after charging:

Depreciation	9,500	3,950	10,256	3,950
Audit fee	2,500	-	3,000	-
Other finance and accountancy fees	8,400	-	10,585	7,000

8. STAFF COSTS AND NUMBERS

Staff costs were as follows:

Salaries and wages	83,970	13,000	103,163	30,000
Social security costs	2,679	-	650	-
Employers pension contributions	1,214	-	10,046	-
Total	87,863	13,000	113,859	30,000

The average monthly head count was 15 staff (2020 - 25) and the average monthly number of full time employees during the year, was as follows.

	2021 Number	2020 Number
Finance and administration	1	1
Fundraising	1	1
Charitable activities	4	5
	6	7

Approximately 15% of unrestricted staffing costs relate to the operation of the Endowed Charity.

No Employees had employee benefits in excess of £60,000 (2020 - none).

The management of the combined trust is the duty of the trustees who are unpaid.

9. TRUSTEE REMUNERATION & RELATED PARTY TRANSACTIONS

No members of the Board of Trustees (Directors) received any remuneration or expenses during the year.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during this year or the previous year.

The Macclesfield Museum Trust, now known as The Silk Heritage Trust and Macclesfield Sunday School Heritage Centre Trust, have been granted a Uniting Direction. The Endowed Charity provides rent free accommodation to The Silk Heritage Trust in return for shared expenses. At the year end, the net debt owing from the Silk Museum to the Heritage Centre was £19,152 (2020- £32,968)

10. TAXATION

As a charity, The Silk Heritage Trust is exempt from tax on income and gains falling within s505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2021 - continued

11. PENSION SCHEME

The trust paid £nil (2020- £20,654) into the Cheshire East Council Superannuation Scheme on behalf of its employees.

At the balance sheet date £nil (2020 - £1,000) was outstanding.

The trust made contributions to the work place pension scheme with Peoples Pension for 3 employees totalling £1,213 (2020 - £1,393).

12. TANGIBLE FIXED ASSETS

The Silk Heritage Trust

	Land & Buildings	Fixtures, Fittings & Equipment	Total
Cost	£	£	£
At 1 April 2020	1,202,215	119,013	1,321,228
Additions	-	1,476	1,476
At 31 March 2021	<u>1,202,215</u>	<u>120,489</u>	<u>1,322,704</u>
Depreciation			
At 1 April 2019	143,085	119,013	262,098
Charge for the Year	9,500	-	9,500
At 31 March 2021	<u>152,585</u>	<u>119,013</u>	<u>271,598</u>
Net book values			
At 31 March 2021	<u>1,049,630</u>	<u>1,476</u>	<u>1,051,106</u>
At 31 March 2020	<u>1,059,130</u>	-	<u>1,059,130</u>

The value of Land and Buildings consists of the Museum at Park Green. The development of this site was funded to a large extent by the National Lottery Heritage Fund. The conditions of the funding stipulated that if the building was ever to be sold, a percentage of the grant given of £800,000 would have to be repaid.

The Silk Heritage Trust Endowed Fund

	Building	Fixtures & Fittings	Total
Cost	£	£	£
At 1 April 2020	309,111	105,737	414,848
Additions	-	-	-
At 31 March 2021	<u>309,111</u>	<u>105,737</u>	<u>414,848</u>
Depreciation			
At 1 April 2020	156,595	101,845	258,440
Charge for the Year	3,300	650	3,950
At 31 March 2021	<u>159,895</u>	<u>102,495</u>	<u>262,390</u>
Net book values			
At 31 March 2021	<u>149,216</u>	<u>3,242</u>	<u>152,458</u>
At 31 March 2020	<u>152,516</u>	<u>3,892</u>	<u>156,408</u>

The building represents renovations and additions to the land and buildings of the Macclesfield Heritage Centre.

The original land and buildings of the Macclesfield Heritage Centre were transferred to the trust by the Trust Deed dated 31st October 1981 and have not been included in the fixed assets.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2021 - continued

13. INVESTMENTS

	2021 Nominal Value	2021 Market Value	2020 Nominal Value	2020 Market Value
	£	£	£	£
Silk Heritage Trust Endowed Charity				
City of Manchester 3%	371	202	371	202
	<u>371</u>	<u>202</u>	<u>371</u>	<u>202</u>

14. STOCK	Silk Heritage Trust 2021 £	Silk Heritage Trust Endowed Charity 2021 £	Total 2021 £	Silk Heritage Trust 2020 £	Silk Heritage Trust Endowed Charity 2020 £	Total 2020 £
Shop goods for resale	5,270	-	5,270	4,790	-	4,790

The amount of stock recognised as an expense in the cost of sales during the year was £2,145 (2020- £29,321)

15. DEBTORS

Trade debtors & Prepayments	10,482	4,169	14,651	6,417	15,480	21,897
Other debtor	4,887	1,024	5,911	-	-	-
Silk Heritage Trust	-	19,152	19,152	-	32,968	32,968
VAT	-	2,659	2,659	280	-	280
	<u>15,369</u>	<u>27,004</u>	<u>42,373</u>	<u>6,697</u>	<u>48,448</u>	<u>55,145</u>

16. CREDITORS: Amounts falling due within one year

Trade creditors and Accruals	19,676	3,927	23,603	29,871	2,029	31,900
Cheshire Pension Fund	-	-	-	1,000	-	1,000
Silk Heritage endowed trust	19,152	-	19,152	32,968	-	32,968
VAT	589	-	589	-	1,270	1,270
	<u>39,417</u>	<u>3,927</u>	<u>43,344</u>	<u>63,839</u>	<u>3,299</u>	<u>67,138</u>

17 SHARE CAPITAL

The company is incorporated under the Companies Act 2006 and is limited by guarantee and therefore does not have a share capital.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2021 - continued

18. STATEMENT OF FUNDS

	<i>Balance at 31st March 2020</i>	<i>Incoming Resources</i>	<i>Outgoing Resources</i>	<i>Transfer between Funds</i>	<i>Balance at 31st March 2021</i>
	£	£	£	£	£
Unrestricted Funds					
The Silk Heritage Trust	1,038,058	231,880	161,436	(9,000)	1,099,502
The Silk Heritage Trust Endowed Charity	284,826	23,164	44,876	9,000	272,114
Total Unrestricted Funds	1,322,884	255,044	206,312	-	1,371,616
Restricted Funds					
The Silk Heritage Trust					
AIM	9,600	-	7,694	-	1,906
Sustainable Improvement	2,200	-	-	-	2,200
John Ellerman	15,690	-	15,690	-	-
New Homes Bonus	15,445	-	5,438	-	10,007
Cheshire East	4,956	-	4,956	-	-
Esme Fairbairn	2,005	-	2,005	-	-
Arts Council	-	5,000	5,000	-	-
Cheshire East have a dabble	-	1,500	1,500	-	-
Cheshire East covid support	-	4,900	4,900	-	-
National heritage	-	8,900	8,900	-	-
University of Manchester	-	9,200	-	-	9,200
Friends of Macclesfield Silk Heritage Textile support	-	6,675	-	-	6,675
Friends of Macclesfield Silk Heritage Ancient Egypt	-	8,325	844	-	7,481
Textile society	-	4,800	-	-	4,800
Architectural Heritage Fund	-	8,160	6,160	-	-
Historic England	-	18,750	8,130	-	10,620
Total Restricted Funds	49,896	74,210	71,217	-	52,889
TOTAL FUNDS	1,372,780	329,254	277,529	-	1,424,505

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2021 - continued

18 STATEMENT OF FUNDS (continued)

Unrestricted Funds

The Silk Heritage Trust - These represent the accumulated unrestricted general funds of the Trust.

The Silk Heritage Trust Endowed Fund - These represent the accumulated unrestricted general funds of the Endowed Charity

Restricted Funds

During the financial year 2020-21 the Silk Heritage Trust worked with restricted funds from a range of sources.

Cheshire East Council's annual grant is awarded in relation to the Service Level Agreement with the Trust based on effectively managing the museum collections and increasing public and educational engagement with these collections. The Council also made an additional awards of £1,500 to support a programme of new, creative programme for people to have a dabble remotely in activities, and £4,900 for covid support.

Museum Development North West awarded a Sustainable Improvement Fund grant (SIF) to support the development of schools' loans boxes as part of our work to refresh our learning programme.

John Ellerman Foundation funding allowed the Trust to continuing working with the Director in delivering the Transformation programme at the Silk Museum and Old Sunday School.

The Esmée Fairbairn Foundation funding was in its final year of support of work to increase care, documentation and engagement with the Museum's nationally important collection of Pattern Books.

An award from the Architectural Heritage Fund was given to cover restoration support for the museums.

An award from the New Homes Bonus scheme is contributing to the transformation of the Old Sunday School as a creative, community hub for Macclesfield.

The Friends of Macclesfield Silk Heritage made one of their most generous grants in support of two museum programs in the year.

A grant from Historic England was given to support the restoration of the windows in the Old Sunday School.

A grant from the university of Manchester was awarded in the year to assist with covid recovery.

A grant was awarded by the textile society in support of restoration of the fabric collections.

THE SILK HERITAGE TRUST

Notes to the accounts for the year ended 31 March 2021 - continued

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted Funds	2021
	£	£	£
The Silk Heritage Trust			
Tangible Fixed Assets	1,051,106	-	1,051,106
Net Current assets	48,396	52,889	101,285
Creditors falling due in more than one year	-	-	-
	<u>1,099,502</u>	<u>52,889</u>	<u>1,152,391</u>
The Silk Heritage Trust Endowed Charity			
Tangible Fixed Assets	152,458	-	152,458
Investments	202	-	202
Net Current Assets	119,454	-	119,454
	<u>272,114</u>	<u>-</u>	<u>272,114</u>

20 INTER TRUST LOAN

As at the balance sheet date the inter trust loan outstanding was £ 19,152 owing to the Endowed Charity by the Silk Heritage Trust.