

**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

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**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 23<sup>rd</sup> June 2022)  
Cllr Lesley Smetham  
Cllr Janet Jackson (Friends of Macclesfield Silk Heritage nominee)  
Ms Hannah Williamson  
Mr David Shatwell (Resigned 20<sup>th</sup> January 2022)  
Cllr Elizabeth Braithwaite  
Mr Philip Cole  
Ms Joanna Hayward (Appointed 27<sup>th</sup> June 2022)  
Ms Julie Griffiths (Appointed 27<sup>th</sup> June 2022)  
Mr Mike Ward (Appointed 27<sup>th</sup> 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 10<sup>th</sup> September 2012, which replaced the Memorandum and Articles dated 10<sup>th</sup> 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 31<sup>st</sup> 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 120<sup>th</sup> 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: 20<sup>th</sup> 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**

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**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 inconsistency 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**

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**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**

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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](http://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: 20<sup>th</sup> December 2022

# THE SILK HERITAGE TRUST

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

		Silk Heritage Trust			Silk Heritage Trust Endowed Charity			Silk Heritage Trust			Silk Heritage Trust Endowed Charity				
		Unrestricted	Restricted	2022	Unrestricted	2022	£	Unrestricted	2021	Restricted	2021	£	Unrestricted	2021	Total
	Notes	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Income</b>															
<b>Donations and Legacies</b>															
	2	10,961	-		1,304	12,265		5,887	15,000				1,517		22,404
	3	169,208	185,448		12,090	366,746		221,850	59,210				-		281,060
<b>Income from charitable activities:</b>															
	4	38,227	-		64,842	103,069		3,013	-				21,643		24,656
<b>Income from other trading activities:</b>															
		16,067	-		-	16,067		1,106	-				-		1,106
	5	6	-		5	11		24	-				4		28
<b>TOTAL INCOME</b>															
<b>Expenditure</b>															
<b>Costs of raising funds</b>															
		9,078	-		-	9,078		2,625	-				-		2,625
<b>Charitable activities</b>															
	6	205,145	189,171		52,101	446,417		158,811	71,217				44,876		274,904
<b>TOTAL EXPENDITURE</b>															
<b>Net income/expenditure</b>															
		20,246	(3,723)		26,140	42,663		70,444	2,993				(21,712)		51,725
<b>Transfers between funds</b>															
<b>NET MOVEMENT IN FUNDS</b>															
		20,246	(3,723)		26,140	42,663		61,444	2,993				(12,712)		51,725
<b>Reconciliation of funds</b>															
		1,099,502	52,889		272,114	1,424,505		1,038,058	49,896				284,826		1,372,780
<b>TOTAL FUNDS CARRIED FORWARD</b>															
		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

		Silk Heritage Trust 2022	Silk Heritage Trust Endowed Charity 2022	Total 2022	Silk Heritage Trust 2021	Silk Heritage Trust Endowed Charity 2021	Total 2021
	Notes	£	£	£	£	£	£
<b>Fixed Assets</b>							
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>
<b>Current Assets</b>							
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
<b>Net Current Assets</b>		<u>128,784</u>	<u>149,544</u>	<u>278,328</u>	<u>101,285</u>	<u>119,454</u>	<u>220,739</u>
<b>Total Assets Less Current Liabilities</b>		<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>
<b>Net Assets</b>		<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>
<b>Charity Funds</b>							
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
<b>Total Funds</b>	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**

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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' and 'V' intertwined.

**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

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#### 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.

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

## 2. DONATIONS AND LEGACIES

## Page 18

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

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	28
	6	5	11	24	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 Endowed Charity 2022				Silk Heritage Trust 2021				Silk Heritage Trust Endowed Charity 2021			
	Unrestricted Funds		Restricted Funds		Unrestricted Funds		Restricted Funds		Unrestricted Funds		Restricted Funds		Unrestricted Funds		Restricted Funds	
	Charitable Activities		Charitable Activities		Charitable Activities		Charitable Activities		Charitable Activities		Charitable Activities		Charitable Activities		Charitable Activities	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Costs directly allocated to activities</b>																
Staff costs	-	81,521	20,520		20,000	122,041	-	77,046	10,817	13,000					100,863	
Advertising	-	13,709	-		447	14,166	-	-	-	-					-	
Travel	-	892	-		-	892	-	348	-	-					348	
Goods for resale	9,078	-	-		-	9,078	1,187	-	-	-					1,187	
Display and Exhibition costs	-	5,572	63,227		-	68,799	-	4,461	14,468	-					18,929	
Premises expenses	-	22,940	-		17,838	40,778	-	19,554	-	17,901					37,455	
Insurances	-	4,800	-		-	4,800	-	8,474	-	-					8,474	
Cleaning	-	4,975	-		4,189	9,164	-	1,939	1,362	-					3,301	
Security	-	4,533	-		-	4,533	-	2,990	-	-					2,990	
Equipment maintenance	-	-	-		-	-	-	3,804	-	-					3,804	
Repairs and renewals	-	7,967	71,589		-	79,556	-	1,067	17,752	4,525					23,344	
Depreciation	-	11,555	-		3,950	15,505	-	9,500	-	3,950					13,450	
<b>Support costs allocated to activities</b>																
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	-	8,400	-	-					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	
<b>Total resources expended</b>	<b>9,078</b>	<b>205,145</b>	<b>189,171</b>	<b>52,101</b>	<b>455,496</b>	<b>2,625</b>	<b>158,811</b>	<b>71,217</b>	<b>44,876</b>	<b>277,529</b>						

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	-
<b>Total</b>	<b>102,041</b>	<b>20,000</b>	<b>87,863</b>	<b>13,000</b>

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	1,202,215	121,068	1,323,283
<b>Depreciation</b>			
At 1 April 2019	152,585	119,013	271,598
Charge for the Year	9,500	2,055	11,555
At 31 March 2022	162,085	121,068	283,153
<b>Net book values</b>			
At 31 March 2022	1,040,130	-	1,040,130
At 31 March 2021	1,049,630	1,476	1,051,106

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

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>

	Silk Heritage Trust	Silk Heritage Trust Endowed Charity	Total	Silk Heritage Trust	Silk Heritage Trust Endowed Charity	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
14. STOCK						
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>49,786</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

	Balance at 31st March 2021	Incoming Resources	Outgoing Resources	Transfer between Funds	Balance at 31st March 2022
	£	£	£	£	£
<b>Unrestricted Funds</b>					
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
<b>Total Unrestricted Funds</b>	<b>1,371,616</b>	<b>312,710</b>	<b>266,324</b>	<b>-</b>	<b>1,418,002</b>
<b>Restricted Funds</b>					
<b>The Silk Heritage Trust</b>					
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	-	-
<b>Total Restricted Funds</b>	<b>52,889</b>	<b>185,448</b>	<b>189,171</b>	<b>-</b>	<b>49,166</b>
<b>TOTAL FUNDS</b>	<b>1,424,505</b>	<b>498,158</b>	<b>455,495</b>	<b>-</b>	<b>1,467,168</b>

## THE SILK HERITAGE TRUST

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

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#### 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 museums to 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.

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

#### 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.