

Financial Statements

For the year ended 31 December 2019

Eskdale Mill & Heritage Trust

Company No: 5743618

Charity No: 1113837

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Reference information

ADDRESS: Eskdale Mill
Boot
Holmrook
CA19 1TG

REGISTERED CHARITY NUMBER: 1113837

COMPANY REGISTRATION NO: 05743618

GOVERNING DOCUMENT: Memorandum and Articles of Association

TRUSTEES: Paul Dean
Richard Johnson, Treasurer
Rosemary Lord (Appointed 28 January 2019)
Jodie Mills (Resigned 15 August 2019)
Adam Pattison, Company Secretary and Deputy Treasurer (Resigned 04 February 2020)
Paul Pharaoh, Chair
Peter Van Zeller (Resigned 27 April 2019)

INDEPENDENT EXAMINER Tony Hindmoor BFP FCA
Gibbons Chartered Accountants
Carleton House
136 Gray Street
Workington
Cumbria
CA14 2LU

SOLICITORS: Cartmell Shepherd
Sutton House
Dovenby Hall Estate
Dovenby
Cumbria
CA13 0PN

BANKERS: HSBC Bank Plc
69 Lowther Street
Whitehaven
Cumbria
CA28 7AD

REPORT OF THE TRUSTEES

The Directors (known hereafter as trustees) present their Annual Report and Financial Statements for the year ended 31 December 2019.

TRUSTEES AND OFFICERS

The following directors held office for the whole of the year to 31 December 2019 and to the date of this report unless otherwise stated:

Paul Dean
Richard Johnson, Treasurer
Rosemary Lord (Appointed 28 January 2019)
Jodie Mills (Resigned 15 August 2019)
Adam Pattison, Company Secretary and Deputy Treasurer (Resigned 04 February 2020)
Paul Pharaoh, Chair
Peter Van Zeller (Resigned 27 April 2019)

TRUSTEES RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

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

The directors also confirm that as far as they are aware there is no relevant audit information of which the charity's auditors are unaware and they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In preparing this report the Trustees have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006.

By order of the Trustees



Paul Pharaoh (Chairman)

Date: 1 July 2020

Trustees report

Principal objects

The principal charitable objects of the Trust are the preservation and development, for the public benefit, of the 16th century Eskdale Water Corn Mill at Boot, being of particular historical and architectural interest; and to advance the education of the public in the history, heritage, geography and geology of Eskdale, so as to increase their understanding of the built and natural environment.

The trustees regard the achievement of financial sustainability as a compulsory underlying objective.

Governance and management

The Trustees met each month during 2019. Progress meetings, attended by the lead consultants for the conservation project and Trust representatives, were held ahead of each Trustees' meeting. The Trustees have carefully monitored the physical progress and financial implications of the project and the Trust's other activities.

Jodie Mills retired as a Trustee due to employment and family commitments, but fortunately has stayed on as an adviser. Peter van Zeller, the last of the founder Trustees, also stood down. John McCurrie retired as an adviser. We are grateful to them for their respective contributions. Stuart Ross, general manager (visitor experience) at the Ravenglass and Eskdale Railway Company, was appointed as an adviser.

The Trust became an employer for the first time when Kate Hughes took up the post of resident mill manager in May. Kate's experience and enthusiasm, combined with the voluntary contribution of her partner Ed Maddocks, have transformed the Trust's operations and enabled us to complete a successful first visitor season for the newly restored mill.

The trustees have complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission, including public benefit guidance.

The conservation project

The Trust's main activity in furthering its charitable objects in 2019 was completion of the construction phase of repair and conservation of our buildings, and re-opening them to the public in late June. Nearly all of the building work, restoration of machinery and fitting out of the exhibition was finished on time. However difficulties with connection of a mains water supply to the cottage, and to the toilet facility in the new mill reception, meant that opening was delayed by a few weeks. All work was delivered within budget.

After many years of planning and fundraising, the Trustees were delighted to see the sensitive restoration of the mill realised at last. It is now in better condition than for many decades, (almost) wind and weather-proof, with both sets of machinery in (almost) full working order for the first time in living memory, as the lower wheel and stones were not included in the County Council's rescue operations in the 1970s. 'Almost' is necessary because of the inevitable snagging problems, which will be addressed with assistance from our professional consultants before expiry of the contractual defects period. At the year-end, there were outstanding issues with both the cottage and mill buildings, and the machinery. These did not impact on visitors' experience, except that the lower set of stones did not turn from October.

Inside, the mill's story is explained by informative but not overbearing interpretation panels, with some inter-active features. The volume of contents on display has been reduced, to concentrate on explaining the functions and

former role of the mill in valley life. Although the nature of the building does not permit full access for some visitors with disabilities, a virtual tour is available in the exhibition room, which is accessible to all.

Meanwhile the miller's cottage has been completely refurbished internally, for occupation under licence as a condition of the manager's employment. It has been a pleasure to see Kate and Ed make it their home as new members of Boot's small permanent community.

We held a well-supported familiarisation event for Eskdale residents and businesses, ahead of the formal opening in June by patron of the Trust and local celebrity Eric Robson, attended by representatives of our funders, partner organisations and local government, as well as advisers and volunteers. Until the end of October the mill was open for five days each week, closing on Mondays and Tuesdays. We also opened during autumn half-term week and, on an experimental basis, on some days around Christmas. Visitors' comments, whether in conversation or our visitors' book, or on social media, were universally favourable.

Promotion of the opening, and display of leaflets at other leisure outlets, were contracted out, but we also worked hard at making leaflets available in local tourist accommodation. We are grateful to the Ravenglass and Eskdale Railway for their continued support; passengers can now buy a joint ticket for the train and mill. Kate Hughes took over responsibility for our redesigned website, and began to stock our small shop, selling the new guide-book and other items of local interest. Visitor numbers achieved the targets we had set for the number of days we were able to open :

June	176	October	535
July	667	November	20
August	1,267	December	145
September	623	Total	3,433

A small but dedicated team of volunteers provided vital assistance with reception duties, welcoming and guiding visitors, and maintenance of the buildings, machinery and grounds. Once again the Trustees are very grateful to all of them. We also received additional volunteer support from our partner groups, Heron Corn Mill, the Lake District National Park Authority and the National Trust. Their help provided a massive boost to our preparations for re-opening in July. We are urgently seeking to recruit additional volunteers, in order to open for six days each week, as anticipated by our business plan

The Trustees are also most grateful for the continued professional assistance of Shirley and Dave Muir of Shirley Muir Associates, project organisers of Wigton; Peter Kempsey, Maria Rodriguez and John Widdaker of Countryside Consultants, architects of Alston; Stuart Hobbs, millwright of Greenodd; Lisa Keys and Chris Healey of Minerva Heritage, interpretation and activity consultants of Lancaster; and Stephen Jackson of Baker Mallett, quantity surveyors of Whitehaven. The commitment of all of them to the project has been unwavering.

The hydro-generation project

At the beginning of 2019 the new waterwheel was generating continuously and free from the earlier difficulties with noise, but a new and major problem arose in March, when the gearbox failed catastrophically. The system was out of operation until August, whilst the cause of failure was analysed and a replacement was ordered and fitted, requiring professional assistance in addition to the substantial efforts of our specialist volunteers

Since generation was resumed, the system has been carefully monitored and has operated very satisfactorily with minimum stoppage time, earning an income for the Trust as well as subsidising the cost of power used in the manager's cottage. Standing between the two original wheels and the new one, whilst all three are in motion, is a remarkable experience. Visitors are fascinated by the traditional and modern applications of water power, so close

Donations have been received throughout the year, as part of the membership subscription, or through donations of the general public. We remain grateful to all our supporters, past and present.

Difficulties experienced with the hydro-wheel during the year caused the Trust to spend £5,421 from unrestricted reserves on its repair. At the time of the hydro-wheel failure, the Trust was short of unrestricted funds, and so former Trustee and advisor Len Watson and advisor Rod Chilton, kindly loaned the Trust £3,465 to complete the repair work. This borrowing was repaid early in 2020. Once working, the hydro-wheel project contributed valuable income to the unrestricted reserves, totaling £1,371 for the year. The Trustees are confident that the income stream will continue in to 2020.

The financial statements to 31 December 2019 show a deficit overall of £1,112 for the year. There was a surplus on the unrestricted fund of £6,965, and a deficit on the restricted fund of £8,077, due solely to the timing of payments. The Trustees are pleased with this result, as the Trust begins to make the transition in to a self sufficient organization, once the National Lottery Heritage Fund project ends. The challenge remains for the Trust to be self sufficient and generate enough income to support the employment of the mill manager, beyond the cessation of the National Lottery Heritage Fund project.

The Trust has recognised the need for a designated fund which includes the value of the mill buildings at cost, which sits at £108,153. A further fixed asset reserve has been created in the year, which is to the value of fixed assets, meaning the amount shown in unrestricted reserves are the free reserves to meet the ongoing charitable activities.

The Trust has unrestricted funds of £9,172 of unrestricted funds available for activities in 2020, representing approximately nine months expenditure. The Trust reserves policy is 24 months unrestricted expenditure, and the trustees accept that the current levels of reserves fall short of this target. However, the Trustees are aware that the Trust must build up its free reserves to ensure and safeguard the mill manager's position, and will take the necessary measures to increase the reserves. The Trustees will endeavour to build up the unrestricted reserves, despite the current economic conditions as a result of the Covid-19 pandemic.

Signed on behalf of the board of Trustees



Paul Pharaoh

Date

July 2020

to each other. The new wheel in permanent motion is visible from the packhorse bridge and also functions as a useful advertisement.

Again the Trustees are grateful to the volunteers Len Watson, Rod Chilton and Steve Hemm for their skill and commitment. Steve has taken over principal responsibility for the project, as Len takes a well-earned rest after running it for several difficult years.

Plans for the future

2019 was a year of achievement. 2020 should have been a year of consolidation and improvement, as we used experience of our first season of opening to the public to improve our offer to visitors, and to add planned new components – educational materials, special events and reclamation of the garden and field. Sadly, it seems that the next annual report will not be about any of this, but how the Trust was required to respond to the covid-19 virus.

Despite these difficulties, increasing the number of volunteers, members and Trustees remains a priority. We are mindful that the model contained in the business plan requires six day opening each week, whilst only five days have been achieved so far. The activities programme of the National Lottery Heritage Fund project is scheduled to continue until 2021, but clearly will be curtailed or postponed.

Delivery of the restoration project within budget came at the cost of cutting some highly desirable, if not essential, features of the original design, including secondary glazing in the cottage, construction of a workshop and tool-store in the ruined piggery, and re-roofing of the bakehouse. There is therefore difficulty in keeping the cottage warm, nowhere suitable for using and storing tools, and water leaking into the bakehouse. We will seek to raise further funds to address these problems.

At the end of the year reported on, the Covid-19 pandemic has materially affected the business. The mill opened to the public for a short time but has remained closed since 21 March 2020. At the time of writing, both the Eskdale Railway and local providers of accommodation, the two main sources of visitors to the mill, remain closed. The trust expected to receive up to £20,000 in visitor income for the current year, some or all of which will be lost. Volunteering activities have also temporarily ceased.

We applied for and have received a grant of £10,000 from Copeland Borough Council under the government's relief scheme for small businesses. The National Lottery Heritage Fund has agreed to reduce its retention of grant pending completion of the approved purposes from 10% to 3%. Our cashflow forecast indicates that the Trust will be able to maintain an adequate credit balance even if no visitor income is received in 2020.

The trustees carefully considered whether to put the mill manager, our only employee, on furlough to claim 80% of her salary under the government scheme. Because the manager's salary will continue to be reimbursed by the National Lottery Heritage Fund, and as the manager is able to continue with useful work and essential maintenance, her employment has been continued. We also considered whether to apply for further grant from National Lottery Heritage Fund's emergency fund, but concluded that our situation did not fit the specified criteria.

Financial review

During the year, we received grants of £444,601 from the National Lottery Heritage Fund project, along with £37,181 from Copeland Community Fund, and £35,997 from LEADER. The funding from Copeland Community Fund and LEADER were both received as part of match funding for the delivery phase of the National Lottery Heritage Fund project. The Trustees are extremely grateful for the support of those bodies.

Independent examiner's report

I report on the accounts of the company for the year ended 31 December 2019, which are set out on pages 9 to 23.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145 (5) (b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

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Tony Hindmoor BFP FCA
Gibbons
Chartered Accountants
Carleton House
136 Gray Street
Workington
Cumbria
CA14 2LU

9 July 2020

ESKDALE MILL & HERITAGE TRUST – COMPANY LIMITED BY GUARANTEE

Statement of Financial Activities (including income and expenditure account) For the year ended 31 December 2019

	Note	Unrestricted Funds	Restricted Funds	Total Funds	2018 Total funds (note 18)
		£	£	£	£
Income and endowments from:					
Donations and legacies	2	4,503	443,408	447,911	425,624
Charitable activities		13,161	-	13,161	-
Investments	3	1	-	1	2
Other		1,371	-	1,371	3,634
Total		19,036	443,408	462,444	429,260
Expenditure on:					
Charitable activities	4	12,071	451,485	463,556	429,408
Total		12,071	451,485	463,556	429,408
Net income/(deficit)		6,965	(8,077)	(1,112)	(148)
Removal of provisions		-	-	-	65,000
Net movement in funds		6,965	(8,077)	(1,112)	64,852
Reconciliation of funds:					
Total funds brought forward		110,887	11,053	121,940	57,088
Total funds carried forward		117,852	2,976	120,828	121,940

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

ESKDALE MILL & HERITAGE TRUST – COMPANY LIMITED BY GUARANTEE

**Balance Sheet
As at 31 December 2019**

Company number: 05743618

	Note	Total Funds 2019 £	Total funds 2018 £
Fixed assets			
Tangible assets	6	108,680	108,153
<i>Total fixed assets</i>		108,680	108,153
Current assets			
Debtors	7	2,146	75,844
Cash at bank and in hand	8	54,840	25,137
<i>Total current assets</i>		56,986	100,981
Liabilities			
Creditors: amounts falling due within on year	9	(44,838)	(87,194)
Net current assets		12,148	13,787
Total assets less current liabilities			
Total net assets or liabilities		120,828	121,940
The funds of the charity:			
Restricted income funds	11, 12, 13	2,976	11,053
Unrestricted funds – Designated	12,13	108,680	108,153
Unrestricted funds – General	12, 13	9,172	2,734
Total charity funds		120,828	121,940

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by the directors on
and signed on their behalf by **6 May** 2020



Paul Pharaoh (Chairman)

**Statement of Cash Flows
For the year ended 31 December 2019**

	Note	2019 £	2018 £
Cash (used in)/provided by operating activities	16	(560)	13,171
Cash flows from investing activities:			
Interest		1	2
Purchase of tangible fixed assets	6	(703)	-
Cash used in investing activities		(702)	2
Cash flows from financing activities:			
Raising of borrowing	9	30,965	-
Net cash flows from financing activities		30,965	-
Increase/(Decrease) in cash and cash equivalents in the year		29,703	13,173
Cash and cash equivalents at the beginning of the year		25,137	11,964
Total cash and cash equivalents at the end of the year	11	54,840	25,137

**Notes to the Financial Statements
For the year ended 31 December 2019**

1. Accounting policies

a. Accounting

The charity is a public benefit entity and the accounts are prepared under the historical cost convention in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, the Companies Act 2006 and Statement of Recommended Practice, Accounting and Reporting by Charities (SORP FRS102).

Eskdale Mill & Heritage Trust is a private company limited by guarantee and is non-profit making. Eskdale Mill & Heritage Trust is incorporated in the United Kingdom and registered in England and Wales.

b. Going concern

The company's business activities, its performance and position are set out in the Directors' Report on pages 4 to 7.

The company's forecasts and projections show that the company should be able to operate within the working capital facilities available to it.

The Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

There are no material uncertainties about the entity's ability to continue to operate.

c. Income

Donations and legacies consist of gifts, legacies and related Gift Aid claims.

Income which is received for a specific purpose is accounted for within a restricted fund.

Income is recognised in the year in which the company is entitled to receipt and the amount can be measured reliably. It is allocated to activities on an actual basis. In accordance with this policy, legacies are included when it is probable that it will be received.

d. Expenditure

Includes all expenditure directly relating to the objects of the charity, included on an accruals basis, inclusive of any VAT which cannot be recovered, and on the following basis:

Wherever possible, costs are allocated to activities on an actual basis. Costs shared between activities are apportioned between these activities.

Expenditure on charitable activities includes the costs of performances, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.

**Notes to the Financial Statements
For the year ended 31 December 2019**

Continued

e. Financial instruments

The Trust only has financial assets and liabilities of a kind that qualify as basic financial instruments.

f. Debtors

Includes amounts invoiced but not yet paid, together with payments in advance, less provisions for any doubtful debts.

g. Cash at bank and in hand

Equates to less than 100 days access bank balances and cash floats.

h. Creditors and provisions for liabilities

Includes purchases invoiced but not yet paid.

i. Fixed assets

Fixed assets are shown at original cost or, if donated, at their value on the date of the gift, less accumulated depreciation. Depreciation is calculated to write off the cost less estimated residual value of fixed assets over their estimated useful life. Fixed assets are depreciated at 25% of their net book value.

Heritage assets are included in the statutory accounts at initial cost. No depreciation is charged on these assets as the residual value is expected to be in excess of the initial cost. Expenditure on these assets, where it does not result in the creation of a new operational heritage asset, is charged to the income and expenditure account.

The minimum capitalisation level is £100.

j. Fund accounting

The trustees have retained the designated sums forming part of the charity's unrestricted funds to be used for particular purposes in the future as outlined in Note 13.

**Notes to the Financial Statements
For the year ended 31 December 2019**

Continued

2. Income

Donations and legacies:	2019	2018
	£	£
Subscriptions and donations	4,503	1,733
Grants receivable - restricted	443,408	423,891
	447,911	425,624

Of the income generated in 2018, £423,891 of grants receivable derived from restricted activities. The remaining income derived from unrestricted activities.

Investments:	2019	2018
	£	£
Interest received	1	2
	1	2

All the income in 2018 derived from unrestricted activities.

3. Other income

Activity	Unrestricted income £	Restricted income £	2019 £	2018 £
Hydro-electricity income	1,371	-	1,371	3,634
Total	1,371	-	1,371	3,634

All the income in 2018 derived from unrestricted activities.

**Notes to the Financial Statements
For the year ended 31 December 2019**

Continued

4. Analysis of costs - 2019

Activity	Unrestricted expenditure £	Restricted expenditure £	2019 £	2018 £
Rent	-	570	570	470
Rates and water	420	-	420	2,808
Heat and light	452	-	452	192
Insurance	3,024	-	3,024	3,507
Wages and salaries	-	8,666	8,666	-
Employers pension contributions	-	137	137	-
Printing, postage and stationery	30	1,951	1,981	-
Telephone	993	-	993	776
Advertising	35	1,071	1,106	-
Repairs and maintenance	200	4,037	4,237	142
Waterwheel costs	5,422	-	5,422	1,890
Subscriptions and memberships	-	408	408	-
Volunteer expenses	-	3,194	3,194	449
General expenses	246	653	899	1,535
Legal fees	960	4,222	5,182	3,187
Consultant fees	-	132,816	132,816	57,890
Building refurbishment costs	-	241,838	241,838	325,953
Mill refurbishment costs	-	51,665	51,665	30,609
Bank charges	113	257	370	-
Depreciation	176	-	176	-
Total	12,071	451,485	463,556	429,408

In 2018, £417,838 of the expenditure related to restricted activities. The remainder related to unrestricted activities.

**Notes to the Financial Statements
For the year ended 31 December 2019**

Continued

5. Staff costs, related parties and volunteers

	2019	2018
	£	£
Wages and salaries	8,666	-
Pension contributions	137	-
	<u>8,803</u>	<u>-</u>

The Trust operates a defined contribution pension scheme.

No employee earned £60,000 per annum or more (2018 – no employees falling in the band £60,000 to £70,000).

The average number of full time equivalent employees was 1 (2018 - nil).

Trustees received no expenses during the year, other than the reimbursement of items bought on behalf of the Trust.

No Trustee director received any remuneration in respect of their services as a Trustee of the charity.

The charity is extremely grateful to the 16 volunteers who assisted throughout the year with practical tasks in the buildings and grounds, welcoming visitors and explaining the working of the mill.

**Notes to the Financial Statements
For the year ended 31 December 2019**

Continued

6. Fixed assets

	Equipment	Heritage assets	Total
	£	£	£
COST			
At 1 January 2019	-	108,153	108,153
Additions	703	-	703
Disposals	-	-	-
At 31 December 2019	<u>703</u>	<u>108,153</u>	<u>108,856</u>
DEPRECIATION			
At 1 January 2019	-	-	-
Charge for the year	176	-	176
Disposals	-	-	-
At 31 December 2019	<u>176</u>	<u>-</u>	<u>176</u>
NET BOOK VALUE			
At 31 December 2019	<u>527</u>	<u>108,153</u>	<u>108,680</u>
At 31 December 2018	<u>-</u>	<u>108,153</u>	<u>108,153</u>

**Notes to the Financial Statements
For the year ended 31 December 2019**

Continued

7. Debtors

	2019	2018
	£	£
Prepayments and accrued income	314	433
Other debtors	1,832	75,411
	2,146	75,844

8. Cash and cash equivalents

	2019	2018
	£	£
Cash in hand	54,840	25,137
Current asset	54,840	25,137

9. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	12,437	86,474
Taxes and social security	156	-
Other loans	30,965	-
Other creditors	320	-
Accruals	960	720
	44,838	87,194

**Notes to the Financial Statements
For the year ended 31 December 2019**

Continued

10. Financial instruments

	2019	2018
	£	£
Financial assets measured at amortised cost	2,147	75,844
Cash and cash equivalents	54,840	25,137
Financial liabilities measured at amortised cost	44,838	87,194

Financial assets measured at amortised cost comprise trade and other debtors. Financial liabilities measured at amortised cost comprise trade and other creditors and loans.

11. Restricted funds

	Balance as at 1 January 2019	Movement		Balance as at 31 December 2019
	£	Income 2019	Expenditure and Transfers 2019	£
National Lottery Heritage Fund project	11,053	443,408	451,485	2,976
	11,053	443,408	451,485	2,976

The National Lottery Heritage Fund project is for the Trust to provide conservation and improved presentation of the mill buildings and machinery, and establishment of the mill's day to day management, in order to attract more visitors and ensure its long-term sustainability.

**Notes to the Financial Statements
For the year ended 31 December 2019**

Continued

12. Summary of fund movements

Fund	Balance 1 Jan 2019	Income	Expenditure	Transfers	Balance 31 Dec 2019
<u>Designated Funds</u>					
Heritage building reserve	108,153	-	-		108,153
Fixed asset reserve	-	-	(176)	703	527
Unrestricted fund	2,734	19,036	(11,895)	(703)	9,172
Unrestricted Funds	110,887	19,036	(12,071)	-	117,852
<u>Restricted Funds</u>					
National Lottery Heritage Fund project	11,053	443,408	(451,485)		2,976
Restricted Funds	11,053	443,408	(451,485)	-	2,976
Total Funds	121,940	462,444	(463,556)	-	120,828

Designated Funds

The Designated Fund represents the Heritage Asset at its historical cost price.

The Fixed Asset Fund represents the net book value of assets on hand at the year end, 31 December 2019.

**Notes to the Financial Statements
For the year ended 31 December 2019**

Continued

13. Analysis of net assets between funds

2019	Tangible Assets £	Net Current Assets/(liabilities) £	Total £
Unrestricted – designated	108,680	-	108,680
Unrestricted – general	-	9,172	9,172
Total unrestricted	108,680	9,172	117,852
National Lottery Heritage Fund project	-	2,976	2,976
Total restricted	-	2,976	2,976
Total funds	108,680	12,148	120,828

2018	Tangible Assets £	Net Current Assets/(liabilities) £	Total £
Unrestricted – designated	108,153	-	108,153
Unrestricted – general	-	2,734	2,734
Total unrestricted	108,153	2,734	110,887
National Lottery Heritage Fund project	-	11,053	11,053
Total restricted	-	11,053	11,053
Total funds	108,153	13,787	121,940

**Notes to the Financial Statements
For the year ended 31 December 2019**

Continued

14. Related party transactions

Ms Jodie Mills, a trustee (who retired during the year), is a director at West Cumbria Rivers Trust, a local charity, which received £1,000 (2018 - £nil) in respect of services during the year. At the end of the year the amount owing to West Cumbria Rivers Trust was £nil (2018 - £nil)

15. Pension commitments

The charity operates a defined contribution pension scheme compliant with auto enrolment. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £137 (2018 - £Nil). Contributions totalling £319 (2018 - £nil) were payable to the fund at the balance sheet date.

The pension commitments are a liability of the restricted funds, in line with the expense and the National Lottery Heritage Fund project.

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

	2019	2018
	£	£
Net deficit for the reporting period	(1,112)	(148)
Adjustments in respect of:		
Depreciation charges	176	-
Interest received	(1)	(2)
Decrease/(increase) in debtors	73,698	(73,597)
Increase/(decrease) in creditors	(73,321)	86,918
	<u>(560)</u>	<u>13,171</u>

17. Unadjusted balance sheet event

As disclosed in the accounting policies, in March 2020, the United Kingdom and the world started to deal with the effects of Covid 19. The UK government announced measures to stop the spread of the virus, and tried to contain it by announcing a nationwide lockdown. As a result, the trustees decided to close the business to the general public, to protect our staff and volunteers, and the general public. Despite this, the closure has not had a material impact on the business, and the Trust continues to operate on moderate reserves.

**Notes to the Financial Statements
For the year ended 31 December 2019**

Continued

18. 2018 SOFA comparatives

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Income and endowments from:			
Donations, grants and legacies	1,733	423,891	425,624
Investments	2	-	2
Other	3,634	-	3,634
Total	5,369	423,891	429,260
Expenditure on:			
Charitable activities	11,570	417,838	429,408
Total	11,570	417,838	429,408
Net income	(6,201)	6,053	(148)
Gain on removal of provision of charges	65,000	-	65,000
Net movement in funds	58,799	6,053	64,852
Reconciliation of funds:			
Total funds brought forward	52,088	5,000	57,088
Total funds carried forward	110,887	11,053	121,940

