

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

A COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT AND ACCOUNTS

FOR THE PERIOD ENDED

31 MARCH 2017



MHA Moore & Smalley
Trusted Thinking

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

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SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

(Registered Charity Number: 1026293)
(Company No: 02848454)

Constitution	The governing document of Sedbergh and District Arts and Heritage Trust ('the Trust') is the Memorandum and Articles of Association (2005). The Trust is a company limited by guarantee and is registered as a charity with the Charity Commission.																								
Directors and Trustees	<p>The directors of the charitable company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.</p> <p>Those who served as Trustees during the period and up to the date of this report are as follows:-</p> <table><tr><td>Ms C Bowman *</td><td>(Appointed 3 August 2016)</td></tr><tr><td>Ms H Bromley</td><td>(Resigned 31 March 2016)</td></tr><tr><td>Mr V Brown</td><td>(Appointed 7 February 2017)</td></tr><tr><td>Ms C Cotton</td><td>(Appointed 7 February 2017)</td></tr><tr><td>Mr A Denton</td><td>(Resigned 7 January 2017)</td></tr><tr><td>Ms A MacKinnon</td><td>(Appointed 7 February 2017)</td></tr><tr><td>Ms C A Nelson *</td><td></td></tr><tr><td>Ms A Pierson</td><td></td></tr><tr><td>Mrs S A B Richardson</td><td>(Resigned 31 January 2016)</td></tr><tr><td>Mr P Rothery</td><td>(Appointed 7 February 2017)</td></tr><tr><td>Mr D Smith</td><td>(Appointed 7 February 2017)</td></tr><tr><td>Miss J E Smith</td><td>(Resigned 31 January 2016)</td></tr></table> <p>As per the Memorandum & Articles of Association, one third of the Trustees must retire at the Annual General Meeting, and seek reappointment, which is 3 Trustees. Two are marked (*) above, and one other to be decided by lot.</p>	Ms C Bowman *	(Appointed 3 August 2016)	Ms H Bromley	(Resigned 31 March 2016)	Mr V Brown	(Appointed 7 February 2017)	Ms C Cotton	(Appointed 7 February 2017)	Mr A Denton	(Resigned 7 January 2017)	Ms A MacKinnon	(Appointed 7 February 2017)	Ms C A Nelson *		Ms A Pierson		Mrs S A B Richardson	(Resigned 31 January 2016)	Mr P Rothery	(Appointed 7 February 2017)	Mr D Smith	(Appointed 7 February 2017)	Miss J E Smith	(Resigned 31 January 2016)
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Membership	Anyone, with the approval of the Trustees, can become a member of the company. There are currently 124 members, each of whom has agreed to contribute a sum not exceeding £10 in the event of the charity winding up.																								
Registered Office	Farfield Mill Arts & Heritage Centre Garsdale Road Sedbergh Cumbria LA10 5LW																								
Accountants	MHA Moore and Smalley Chartered Accountants Kendal House Murley Moss Business Village Oxenholme Road Kendal LA9 7RL																								

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

REPORT OF THE TRUSTEES

The Trustees present their report and the financial statements of the charity for the period ended 31 March 2017. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The trustees decided to alter the financial year from the calendar year to a period aligned with the fiscal year to assist in financial planning and budgeting.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Accounting and Reporting by Charities: Statement of Recommended Practice

Objectives and Activities

The objects for which the Trust is established are:

- (a) to promote, maintain, improve and advance the education of the public, particularly by the encouragement of the Arts and Crafts and awareness of Cultural History.
- (b) to preserve for the benefit of the townspeople of Sedbergh in the district of South Lakeland in the County of Cumbria and of the nation at large whatever of the historical, architectural and constructional heritage that may exist in and around the district of Sedbergh in the form of buildings of particular merit or historical, architectural or constructional interest.
- (c) For any other exclusively charitable purpose for the benefit of the public and townspeople of Sedbergh as the trustees determine from time to time.

The Board have had due regard to guidance published by the Charity Commission on Public benefit.

Achievements and Performance

The Trust owns and operates Farfield Mill, a four storey former woollen mill on the banks of the River Clough. The Mill was purchased in 1998, restored and opened to the public in 2001 as an art and heritage centre.

Farfield Mill is a visitor destination within both the Yorkshire Dales National Park and Cumbria, showcasing the best of craft, design and the applied arts regionally and nationally with a particular focus on textiles and woven art.

Farfield's heritage as a woollen mill provides a context in which creativity is fostered and emerging and established artist makers are able to reach their potential. As the founders of the trust put it, Farfield Mill is a place to celebrate "mankind's unique capacity to work together tirelessly to produce objects that provoke, delight and astound."

We manage 21 open studios providing a home to self-employed artist-makers in a variety of media, ranging from long established businesses to startups. Artist makers sell direct to the public from their studios and the ability of the public to see the resident artist makers at work and to engage with them about the creative processes is a key part of the visitor attraction at the Mill.

Farfield Mill's programme of exhibitions showcases a range of regional, national and international artists and makers with an emphasis on textiles, craft and design. Alongside the exhibitions we run events aimed at interpretation of those exhibitions and engaging the audience in an understanding of the works and the processes involved. We run a series of creative workshops encouraging public participation in and understanding of textiles, art, craft and design. We encourage self programmed visits from schools, Further and Higher education groups. Other community groups, such as Women's Institutes are also regular visitors.

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

REPORT OF THE TRUSTEES

Achievements and Performance (continued)

We are a heritage visitor attraction focussed on the tradition of weaving, textiles and wool production in the town of Sedbergh and the Cumbria and Yorkshire Dales regions. Our heritage and location attracts traditional weavers, providing a home for 4 resident weaving businesses and a unique collection of handlooms demonstrated by a group of volunteer weavers. Our small scale weaving enterprise utilises the Mill's historic Dobcross loom alongside a more modern Somet loom. Farfield Mill is the only weaving enterprise in Cumbria and the Yorkshire Dales providing a unique opportunity for artisan businesses to have local wool woven locally.

Sedbergh Enterprises Limited, which is not a charity, is considered a trading arm of Sedbergh & District Arts & Heritage Trust and any profits of Sedbergh Enterprises Limited from its cafe, shop and weaving operation are distributed to the Trust.

Financial Review

In 2016 there were 12,400 admissions to Farfield Mill over a thousand up on 2015. Though an improvement, admissions were still below average over previous years.

The income generated by the Trust from its charitable activities over this 15 month period was broadly in line with 2015, taking into account that commission on the sales of work from the retail craft gallery is now shown within SEL because it is trading income. The Trust was unable to maximise the potential income from charitable activities as a number of studio workshop spaces remained unlet during this period.

The contribution to the Trust donated by SEL from its profits was £12,260, in addition to paying management charges to the trust of £3,000.

The income from grants and donations were down considerably in this period compared to 2015, and that goes a long way to explain the deficit shown on the profit and loss account. The lack of grant funding may, in part, be due to the continuing effects of austerity, but management issues played a part in that the Trust was unable to demonstrate eligibility for grant funding.

The Trustees wish to draw your attention to the going concern issues as detailed in the accounting policies on page 9 and 10 of the accounts.

Reserves Policy

Farfield Mill has no reserves. The trustees would wish to hold reserves of 3 months operating costs but that is not possible at the present time.

Structure, Governance and Management

The Trust is a company limited by guarantee and registered charity.

The running of the Trust is in the hands of the Board of Trustees. Trustees are elected by members of the Trust at the Annual General Meeting. One-third of the Trustees retires each year, and may offer themselves for re-election.

During the first 12 months of the period of this report the board of trustees was chaired by Anne Pierson, who had been the Chair for many years. After the AGM in January 2017 when a number of new trustees were appointed by members, Ms Pierson retired as chair, and the Trustees elected Peter Rothery as their new chair.

As a charity the ability of the Trust to trade is restricted. Sedbergh Enterprises Limited (SEL) was established as the Trust's trading arm. The Trust itself is a member of SEL. The other members are the currently serving directors of SEL.

Risk management

The Trustees have established a risk register within the business plan. The Trustees continue to assess the risks to the organisation and review the level of risk affecting the organisation and measures to mitigate that risk on an ongoing basis.

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

REPORT OF THE TRUSTEES

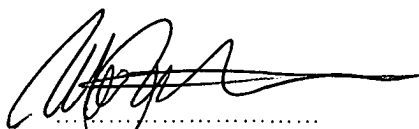
Trustees' responsibilities

The trustees (who are also directors of Sedbergh & District Arts & Heritage Trust for the purposes of company law) are responsible for preparing the Trustees' Annual 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 period, 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 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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.



P Rothery
Trustee

Date: 20/12/17



C Nelson
Trustee

Date: 20-12-17

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

I report on the accounts of the charity for the period ended 31 March 2017 which are set out on pages 7 to 20.

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

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of Sedbergh & District Arts & Heritage Trust 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 period 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 an 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 statement

My examination was carried out in accordance with 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 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 which gives me reasonable cause to believe that, in any material respect, the requirements:

- to keep accounting records in accordance with section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act

have not been met;

Your attention is drawn to the Trustees' reference to, and the inherent uncertainty surrounding, the adoption of the going concern basis for the preparation of these financial statements as detailed in the accounting policies.

No other matter has come to my attention in connection with my examination to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Ian Clark FCCA
MHA Moore and Smalley
Chartered Accountants
Kendal House
Murley Moss Business Village
Oxenholme Road
Kendal
LA9 7RL

Date: 21 December 2017

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)

FOR THE PERIOD ENDED 31 MARCH 2017

		Unrestricted Fund	Restricted Fund	15 month period ended 31 March 2017 Total	Year ended 31 December 2015 As restated Total
	Note	£	£	£	£
Income and endowments from:					
Grants and donations	2	45,764	1,500	47,264	93,498
Charitable activities	3	72,673	-	72,673	79,126
Other trading activities	4	5,146	-	5,146	3,466
Other		-	-	-	120
Total income and endowments		123,583	1,500	125,083	176,210
Expenditure					
Raising funds	5	9,175	-	9,175	7,357
Charitable activities	6	166,298	1,500	167,798	130,291
Total expenditure	7	175,473	1,500	176,973	137,648
Net income/ (expenditure)		(51,890)	-	(51,890)	38,562
Transfer between funds	15	2,500	(2,500)	-	-
Net movement in funds		(49,390)	(2,500)	(51,890)	38,562
Restated fund balances at 1 January 2016		467,820	2,565	470,385	431,823
Fund balances at 31 March 2017	14	418,430	65	418,495	470,385

The notes on pages 10 to 20 form part of these financial accounts

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

BALANCE SHEET

AS AT 31 MARCH 2017

			31 March 2017	31 December 2015 As restated
	Note	£	£	£
Fixed assets				
Tangible assets	8		693,840	703,650
Current assets				
Debtors and prepayments: due in less than one year	9	5,500		14,680
Cash at bank and in hand		-		187
		5,500		14,867
Creditors: amounts falling due within one year	10	(149,913)		(76,136)
Net current liabilities			(144,413)	(61,269)
Total assets less current liabilities			549,427	642,381
Creditors: amounts falling due in more than one year	11		(130,932)	(171,996)
Total Net assets	14		418,495	470,385
Funds:				
Unrestricted funds			418,430	467,820
Restricted funds	15		65	2,565
Total Funds			418,495	470,385

For the period ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees' responsibilities:

- (i) The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476;
- (ii) The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 10 to 20 form part of these financial accounts

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

BALANCE SHEET

AS AT 31 MARCH 2017

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The financial statements were approved by the Board on 20/12/2017 and are signed on their behalf by:


P Rothery


C Nelson

Company Registration Number: 02848454

The notes on pages 10 to 20 form part of these financial accounts

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

ACCOUNTING POLICIES

FOR THE PERIOD ENDED 31 MARCH 2017

1. Accounting Policies

Sedbergh and District Arts and Heritage Trust is a company limited by guarantee in England and Wales.

Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

Sedbergh and District Arts and Heritage Trust meets the definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Reconciliation with previous General Accepted Accounting Practice

In preparing the accounts the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of the comparative items was required. There are no items in prior year accounts that require restatement.

Going Concern

The published accounts of the Trust over a number of years reveal an operational deficit (even taking into account income generated by the trading arm SEL) which has been plugged by grants and donations. Whilst the Balance sheet of the Trust shows that total assets exceed total liabilities - the Trust has net current liabilities of £144,413 as at 31 March 2017 and therefore without the realisation of tangible fixed assets is dependent upon the generation of future income to meet these and future liabilities as they fall due. Income generation is tough - grants and donations have masked the underlying financial vulnerability of the Trust. Currently the Trust receives no revenue grants, and is reliant entirely on self generated income and donations from its many friends and supporters to keep it in operation.

A newly strengthened board of Trustees was elected by members in January. Since then the board has engaged in assessing the extent of the challenges facing the Trust. Much work has had to be done in obtaining and analysing financial and other data to gain an understanding of the Trust's underlying position, and beginning the difficult process of organisational and cultural change. There is a renewed sense of shared endeavour: a refreshed board working with enthused tenants, committed staff and volunteers.

The board has already taken steps to increase revenue. Changes to the amount and structure of admission charges, and a successful drive to recruit new creative enterprises to the Mill (studios are fully occupied for the first time in many years), will lead to an increased revenue on an ongoing basis. But the real key to the long term sustainability of the Mill is to increase visitor numbers to the levels achieved in the past. That will require investment in the Mill as a visitor attraction by improving our heritage experience in particular and more effective marketing, with particular investment in our online presence.

In order to achieve a sustainable future for Farfield Mill as a visitor attraction the Trust intends to attract community investment through conversion to a charitable community benefit society. The new structure will not only generate funds to help Farfield Mill meet the challenges it faces, but will also bring the required organisational changes by modernising governance and broadening accountability.

The Trustees hope to raise circa £200,000 through a community share offer. Those investing in Farfield Mill's future through the share offer will become member-owners with an equal say in the Society, regardless of the size of their investment, and the Society will retain charitable status ensuring no private individuals can benefit. The outcome of the public share offer will be issued in the first half of 2018.

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

ACCOUNTING POLICIES (continued)

FOR THE PERIOD ENDED 31 MARCH 2017

Going Concern (continued)

The funds raised will apply much needed investment in the future of Farfield Mill. As well as carrying out essential repairs to the fabric of the building and restructuring existing liabilities to reduce the cost of servicing a mortgage, there will be investment designed to improving the visitor offer and increase the number of visitors. The Trust will refresh and update the heritage experience, making the story of wool and the history of textile manufacture at Farfield and in the region an integral part of the visitors' experience throughout the Mill. The capital injection will also enable investment in technology, upgrading the website and improving data management systems enabling Farfield Mill to broaden its reach through digital media and drive an increase in visitors to the Mill.

The Trustees are very mindful of their duties and legal obligations and accordingly have sought professional advice in relation to the business plan and its current financial position. Whilst recognising there is a degree of uncertainty over the future of the Mill and the Trust's ability to continue to operate, in line with professional advice the Trustees are confident there are reasonable grounds to believe there will be a successful outcome and have prepared the accounts on a going concern basis.

The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	-	1%	straight line basis
Looms	-	1%	straight line basis
Fixtures, fittings and equipment	-	10%	straight line basis

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 charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular 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 charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

Further explanation of the nature and purpose of each fund is included in Note 15.

Income

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income, it is certain it will be received and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at value to the charity where this can be quantified. No amounts are included in the financial statements for services donated by volunteers.
- Income from admissions is included when received. Income from rentals is included when receivable.
- Investment income is included when receivable.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- If income is received but the related performance does not take place until a future accounting period, the income will be deferred to that accounting period.

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

ACCOUNTING POLICIES (continued)

FOR THE PERIOD ENDED 31 MARCH 2017

Expenditure

All expenditure is accounted for on an accruals basis inclusive of any VAT which cannot be recovered and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

- Costs for generating voluntary income are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.
- Charitable activity expenditure comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Group accounts

Under the provision of section 398 of the Companies Act 2006 and the Charities Act 2011, the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

Debtors and accrued income

Debtors are recognised at the settlement amount due after any trade discounts allowed. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

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.

Creditors and provisions

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.

Pensions

The charitable company operates a defined contribution pension scheme and the pension charge represents the amount payable by the charity in respect of the period. The assets of the scheme are held separate from those of the charitable company in independently administered funds.

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31 MARCH 2017

	15 month period ended 31 March 2017 £	Year ended 31 December 2015 £
2. Grants and donations		
Grants		
<i>Unrestricted</i>		
South Lakeland District Council	-	4,500
Flood Relief Grant	5,250	-
<i>Restricted</i>		
Sedbergh Community Fund and Parish Council - Sheepfest	1,500	2,000
YDNP – Sheepfest	-	5,000
Donations		
<i>Unrestricted</i>		
Gift Aid	4,919	6,055
Memberships	7,433	5,632
Donations	28,162	70,311
	47,264	93,498
3. Charitable Activities		
Admission fees	35,153	25,399
Rents receivable from studio artists	23,335	21,199
Education and workshop	10,040	4,210
Artist commission	-	24,031
Exhibition commission	4,145	4,287
	72,673	79,126
Artist commission is reflected in the connected trading arm, Sedbergh Enterprises Limited, from 1 January 2016.		
4. Other trading activities		
Sheepfest stall income	-	950
Fell Wool	-	2,516
Donated book sales	5,146	-
	5,146	3,466

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

NOTES TO THE ACCOUNTS *(continued)*

FOR THE PERIOD ENDED 31 MARCH 2017

	15 month period ended 31 March 2017 £	Year ended 31 December 2015 as restated £
5. Raising funds		
Costs allocated and apportioned to commercial leases		
Premises	4,502	3,589
Mortgage and other finance costs	1,637	1,456
General office	1,752	1,141
Depreciation	1,284	1,039
Other fundraising costs	-	132
	9,175	7,357
6. Charitable activities		
Premises	40,531	32,305
Mortgage and other finance costs	14,732	13,105
Marketing and advertising	9,371	16,662
General office	9,927	6,469
Staff	59,349	42,036
Accountancy	5,456	2,005
Depreciation	11,557	9,348
Exhibition & workshop costs	4,732	1,838
Sundry expenses	1,333	398
Reporting accountant's fee	750	720
Other professional fees	10,060	5,405
	167,798	130,291

Of the £176,973 expenditure in the 15 month period to 31 March 2017 (year ended 31 December 2015 as restated: £137,648), £175,473 was charged to unrestricted funds (year ended 31 December 2015 as restated: £127,935) and £1,500 to restricted funds (year ended 31 December 2015 as restated: £9,713).

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

NOTES TO THE ACCOUNTS *(continued)*

FOR THE PERIOD ENDED 31 MARCH 2017

7. Total Resources expended

	Staff costs £	Depreciation £	Other costs £	15 month period ended 31 March 2017 £	Year ended 31 December 2015 As restated £
Cost of generating funds	-	1,284	7,891	9,175	7,357
Operation of the Arts and Heritage Centre	59,349	11,557	96,892	167,798	130,291
Total resources expended	59,349	12,841	104,783	176,973	137,648

Costs which have been incurred directly in connection with commercial leases and other fundraising have been allocated to the cost of generating funds. Premises and mortgage and other finance costs have been apportioned on the basis of the floor area occupied by the commercial lease, staff costs on the basis of time spent on the activities and office costs on an estimate of the usage by activities.

For further analysis of costs see notes 5 and 6 above.

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

NOTES TO THE ACCOUNTS *(continued)*

FOR THE PERIOD ENDED 31 MARCH 2017

8. Tangible fixed assets

	Freehold land & buildings £	Looms £	Fixtures & fittings £	Total £
Cost				
At 1 January 2016	787,276	22,193	74,964	884,433
Additions	-	2,523	508	3,031
At 31 March 2017	787,276	24,716	75,472	887,464
Depreciation				
At 1 January 2016	113,434	2,477	64,872	180,783
Charge for the period	9,839	310	2,692	12,841
At 31 March 2017	123,273	2,787	67,564	193,624
Net book value				
At 31 March 2017	664,003	21,929	7,908	693,840
At 31 December 2015	673,842	19,716	10,092	703,650

9. Debtors

	31 March 2017 £	31 December 2015 £
Other debtors	2,556	3,328
Prepayments and accrued income	2,913	10,445
H M Revenue and Customs	31	907
	5,500	14,680

10. Creditors – amounts falling due within one year

	31 March 2017 £	31 December 2015 As restated £
Bank overdraft	24,206	23,800
Mortgages from Charity Bank	17,640	17,063
Key Fund Loan	1,545	6,177
Other Creditors and accruals	28,979	21,314
Other taxes and social security	463	711
Amount due to Sedbergh Enterprises Ltd	37,380	7,071
Loans from Trustees/ former Trustees	39,700	-
	149,913	76,136

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

NOTES TO THE ACCOUNTS *(continued)*

FOR THE PERIOD ENDED 31 MARCH 2017

11. Creditors – amounts falling due after more than one year

	31 March 2017	31 December 2015 As restated
	£	£
Mortgages from Charity Bank	130,932	150,296
Loans from Trustees/ former Trustees	-	21,700
Key Fund Loan	-	-
	<u>130,932</u>	<u>171,996</u>
Analysis of loans		
Wholly repayable within 5 years		
By instalments	1,545	6,177
Other than by instalments	-	-
Not wholly repayable within 5 years		
By instalments	148,572	167,359
Other than by instalments	<u>39,700</u>	<u>21,700</u>
	189,817	195,236
Included in current liabilities	<u>(58,885)</u>	<u>(23,240)</u>
	<u>130,932</u>	<u>171,996</u>

The loan from the Charity Bank is secured on the freehold land and buildings. The loans from the trustees are interest free and unsecured and are repayable on demand.

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

NOTES TO THE ACCOUNTS *(continued)*

FOR THE PERIOD ENDED 31 MARCH 2017

12. Staff costs

	15 month period ended 31 March 2017	Year ended 31 December 2015
	No.	No.
The average number of full-time and part time employees during the period was:		
Administration	2	3
Admissions desk and cleaning	<u>5</u>	<u>2</u>
	7	5
	<u><u>7</u></u>	<u><u>5</u></u>
Employee costs during the period were:		
	£	£
Wages and salaries	58,350	42,036
National Insurance	878	-
Pension costs	<u>121</u>	<u>-</u>
Total staff costs	<u><u>59,349</u></u>	<u><u>42,036</u></u>

The wages and salaries figure includes an accrual of £3,747 for holiday pay, part of which relates to the year ended 31 December 2015.

There were no employees receiving more than £60,000 in the period (2015 - Nil).

13. Taxation

As a charity, Sedbergh & District Arts & Heritage Trust is exempt from tax on income and gains falling within sections 472-474 of the Corporation Tax Act 2010, sections 478-489 of the Corporation Tax Act 2010, or section 256 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.

14. Summary of net assets by funds

	Restricted Funds £	General Funds £	Total £
Fund balances at 31 March 2017 are represented by:			
Tangible fixed assets	-	693,840	693,840
Net current assets/(liabilities)	65	(144,478)	(144,413)
Creditors: Due after more than one year	-	(130,932)	(130,932)
	<u>65</u>	<u>418,430</u>	<u>418,495</u>

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

NOTES TO THE ACCOUNTS *(continued)*

FOR THE PERIOD ENDED 31 MARCH 2017

15. Restricted funds

	Balance at 1 January 2016 £	Income £	Expenditure £	Fund transfers £	Balance at 31 March 2017 £
Plaque	65	-	-	-	65
Manufacturing Institute	2,500	-	-	(2,500)	-
Wool Gathering (Sheepfest)	-	1,500	(1,500)	-	-
	2,565	1,500	(1,500)	(2,500)	65

Details of the restricted funds are as follows:

Plaque – This is to fund a plaque to recognise the achievement of those involved in the purchase and refurbishment of the Arts & Heritage Centre.

Manufacturing institute – To fund the purchase of new weaving equipment. In the period a loom purchased last year was fully installed and these costs have been capitalised with the costs of the loom.

Wool Gathering (Sheepfest) – A multi generational arts and heritage project celebrating the textile heritage of the Western Dales.

16. Contingent Liability

A number of years ago the company received two grants from ERDF in respect of the refurbishment of the Arts & Heritage Centre. These grants may be required to be repaid if, during the economic life of the projects, they undergo substantial change such as being used for purposes other than those specified in the application, or such as the disposal of the assets funded by the grant. The economic life expires in the case of the first project (£120,000) in November 2019 and in the case of the second project (£85,666) in January 2024. These monies were used for the refurbishment of the Arts & Heritage Centre and the associated costs are included within fixed assets (Note 8).

17. Trustees

There were no transactions with Trustees during the period other than disclosed in the Related Party Transactions note. Trustees received no remuneration or expenses (2015: None).

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

NOTES TO THE ACCOUNTS *(continued)*

FOR THE PERIOD ENDED 31 MARCH 2017

18. Related Party Transactions

The Trust has a trading arm, Sedbergh Enterprises Limited. Sedbergh Enterprises Limited is a trading company, limited by guarantee. There was an amount of £37,380 (2015 as restated: £7,071) due to Sedbergh Enterprises Limited from the Trust at 31 March 2017. The loan is provided interest free.

Included within creditors are loans from the Trustees totalling £39,700 (2015: £21,700). At the time the loans were given, the donors confirmed that the loans are unsecured, interest free and repayable on demand.

During the period net re-charges were made by Sedbergh Enterprise Limited to Sedbergh & District Arts & Heritage Trust to the value of £25,998 (2015: £40,897). These are added or deducted from the appropriate income/ expense heading in the accounts.

In the period Sedbergh & District Arts & Heritage Trust received donations from Sedbergh Enterprises Limited of £12,260 (2015: £nil).

In the period Sedbergh & District Arts & Heritage Trust received donations from the Trustees and former Trustees totalling £14,035 (2015: £68,783) as follows:

	15 month period ended 31 March 2017 £	Year ended 31 December 2015 £
A Pierson	12,388	65,983
A Denton	1,647	-
J Merchant	-	1,700
J Smith	-	145
M Lamb	-	955

19. Capital commitments

There were no capital commitments at 31 March 2017 or 31 December 2015.

20. Commitments under operating leases

At 31 March 2017 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	31 March 2017 £	31 December 2015 £
Operating leases which expire:		
Within 1 year	633	633
Between 2 and 5 years	633	1,425
After more than 5 years	-	-
	<u>1,266</u>	<u>2,058</u>

SEDBERGH & DISTRICT ARTS & HERITAGE TRUST

NOTES TO THE ACCOUNTS *(continued)*

FOR THE PERIOD ENDED 31 MARCH 2017

21. Company Status

The company is limited by guarantee. The liability of the members is limited to £10 per member in the event of a winding up.

22. Post balance sheet events

On 24 October 2017 a loan from a former Trustee of £16,200 was converted to a donation. At 31 March 2017, the loan was shown in Creditors – amounts falling due within one year.

23. Prior year adjustment

Changes to the balance sheet

	As at 31 December 2015		
	As previously reported £	Adjustment £	As restated £
Creditors due within one year			
Amount due to Sedbergh Enterprises Ltd	19,269	(12,198)	7,071
Mortgage from Charity Bank	13,848	3,215	17,063
Creditors due after one year			
Mortgage from Charity Bank	140,320	9,976	150,296
Net assets	471,378	(993)	470,385
Capital and reserves			
Profit and loss	471,378	(993)	470,385

Changes to the profit and loss account

	As at 31 December 2015		
	As previously reported £	Adjustment £	As restated £
Raising funds:			
Mortgage and other finance costs	(1,357)	(99)	(1,456)
Charitable activities:			
Mortgage and other finance costs	(12,211)	(894)	(13,105)
Net movement in funds	39,555	(993)	38,562

The prior period adjustment above corrects the previous misclassification of a bank loan from Charity Bank. The bank loan had historically been reported as a liability of Sedbergh Enterprises Limited whereas in fact the loan agreement is with Sedbergh and District Arts and Heritage Trust.