

# **Rydal Hall Limited**

(A company limited by guarantee)

## **Annual Report and Consolidated Financial Statements**

**31 December 2019**

**Company registration number: 02561024**

**Charity registration number: 1176419**



## **Rydal Hall Limited**

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**Rydal Hall Limited**  
**Reference and Administrative Details**

<b>Charity name</b>	Rydal Hall Limited	
<b>Charity registration number</b>	1176419	
<b>Company registration number</b>	02561024	
<b>Principal office</b>	Rydal Hall AMBLESIDE LA22 9LX	
<b>Registered office</b>	Church House Friargate PENRITH CA11 7XR	
<b>Trustees</b>	Rev M P Jayne  D S Hurton  J Rushton  Rev W E Sanders  P N Yates  Rev C J Butland (Resigned 9 April 2019)  Rev D M Wilmot  The Venerable Dr R D Pratt	
<b>Secretary</b>	R D Jaques	
<b>Auditor</b>	Dodd & Co Limited FIFTEEN Rosehill Montgomery Way Rosehill Estate CARLISLE CA1 2RW	

**Rydal Hall Limited**  
**Trustees' Report for the Year Ended 31 December 2019**

The Trustees, who are directors of the Company for the purposes of company law, present their report together with the financial statements of the Charity for the year ended 31 December 2019.

**Governing Document**

Rydal Hall Limited was incorporated on 21 November 1990 as a trading subsidiary of Carlisle Diocesan Board of Finance. It obtained charity registration on 21 December 2017 (number 1176419) and started to operate as a charity from 1 January 2018. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association as amended on 13 December 2013.

The financial statements have been prepared in accordance with the accounting policies set out in 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 for Smaller Entities published on 16 July 2014.

**Appointment of Directors/Trustees**

Up to three Trustees can be appointed by the Carlisle Diocesan Board of Finance for a three year term. Up to an additional five, who shall not be employees or officers of the Carlisle Diocesan Board of Finance, can be appointed by a resolution of the Trustees. One third (or the number nearest one third) of the Trustees appointed by resolution of the Trustees, must retire at a meeting called for that purpose. A retiring Trustee may be reappointed.

Trustees will, on a regular basis, assess the need for and provide any Trustee training as may be required.

**Risk Assessment**

The trustees have examined the major strategic, business and operational risks which the charity faces and confirms that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

**Investment powers and restrictions**

The Trustees have the power to invest in such assets as they see fit after seeking suitable expert advice if considered necessary.

**Objectives and Activities**

The objects of the charity are:

- To promote and assist the work of the church of England for the advancement of the Christian religion in the Diocese of Carlisle and county of Cumbria
- To advance the Christian religion by (but without prejudice to the generality of the foregoing):
- Providing a welcome and retreat house and facilities for members of the public from within and outside the county wishing to learn about and/or practice the Christian religion;
- Developing and providing opportunities for growth in prayer, mission and spirituality within the Diocese of Carlisle and county of Cumbria;
- Such other exclusively charitable purposes according to the law of England and Wales that the trustees in their absolute discretion decide from time to time.

In setting the objectives of the charity the trustees have complied with the Charity Commission guidance on public benefit.

**Achievements and Performance**

Following the change in General Manager in 2018, Rydal Hall has seen growth in almost all areas of activity across the charity and trading subsidiary. Strong emphasis has been placed on the marketing and the customer experience of our guests, and this has led to both increased income, and bookings for future years.

**Rydal Hall Limited**  
**Trustees' Report for the Year Ended 31 December 2019**

All members of the Rydal staff / community worked exceptionally hard during the year and the improved trading is a clear result of this effort – for which the trustee wish to express their gratitude.

The Trustees are also grateful for the contributions made from the 'Friends of Rydal Hall' group, both through their support of the Rydal Community, and through many hours of time volunteered on site with practical support.

**Financial Review**

The group recorded a deficit for the year £24,280 which, although of concern to the Trustees, was a small improvement to the previous year. Income recorded in the group of £1,024,852 was £106,860 higher than last year, whilst expenditure was £1,049,132 – an increase of £101,713 from the previous year – a combination of having a manager for the full year, along with increases in minimum wage, and the price of electricity (though still cheap from the Rydal Hydro scheme), and laundry.

A charitable donation of £79,159 was made from the trading subsidiary to the parent charity.

Closing reserves were (£16,121), with no restricted reserves.

**Reserves Policy**

The Charity's reserves policy is to move to a position where it has free reserves equal to two month's group expenditure which, based on 2019 expenditure would be £174,855. Free reserves at 31 December 2019 were (£88,270).

It was the intention of the Trustee Board (prior to the coronavirus outbreak) to work to achieve a breakeven result for 2020, and then with a careful balance of increased marketing and careful but appropriate expenditure, to move back into an annual surplus in the years ahead. This will enable the charity to achieve its intended level of free reserves.

**Impact of Coronavirus - 2020**

In the months after the 2019 financial year-end, the spread of the Covid-19 virus around the world has had an unprecedented impact on the health and wellbeing of its population, its economies, and the life and operation of the church and the Cumbrian tourist industry. The Trustees acted quickly and decisively to assess the potential effect on Rydal Hall, and take mitigating actions to protect its staff, assets and finances.

Rydal Hall was mothballed in March 2020 with all but two members of staff put on the government furlough scheme. As restrictions were slowly lifted, elements of the Hall's activity were slowly opened up under covid-19 risk-assessed ways – with staff slowly returned from furlough as necessary - starting with the tea-shop (take-away only), and then the cottages, campsite and in late July the Hall itself. Staff worked closely with guests to re-schedule their bookings and, in most cases, deposits were retained against future bookings.

At the date of signing the accounts, the impact of coronavirus continues, and it is likely that income will be reduced through the winter. The Trustees will continue to closely monitor the situation and act to minimise losses, maximising use of government support where available. The Diocesan Board of Finance has supported the cash-flow of the charity with extended terms on the repayment of staff wages.

**Small company provisions**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 14 October 2020 and signed on its behalf by:

**D Hurton**  
.....

D S Hurton  
Trustee

## **Rydal Hall Limited**

### **Trustees' Responsibilities in relation to the Financial Statements**

The trustees (who are also directors of Rydal Hall Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper 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.

## **Independent Auditors' Report to the Trustees of Rydal Hall Limited**

### **Opinion**

We have audited the financial statements of Rydal Hall Limited for the year ended 31 December 2019 which comprise a Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs at 31 December 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Emphasis of matter**

We draw attention to notes 1 and 22 of the financial statements, in which the members present their assessment of the impact of Covid-19 on the charitable group and describe the basis for which the charity has adopted the going concern policy. As stated in note 1, the group is dependent on the ongoing support of its parent charity, Carlisle Diocesan Board of Finance (CDBF) in order to continue trading. CDBF has confirmed such support shall continue to be provided and on that basis, the charity remains a going concern.

Our opinion is not modified in this respect.

**Independent Auditors' Report to the Trustees of  
Rydal Hall Limited**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

- certain disclosures of trustees' remuneration specified by law are not made; or
- 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
- we have not obtained all the information and explanations necessary for the purposes of our audit.

**Responsibilities of the trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, 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 controls as they 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.



**Independent Auditors' Report to the Trustees of  
Rydal Hall Limited**

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**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

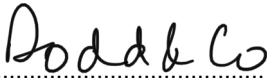
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Independent Auditors' Report to the Trustees of  
Rydal Hall Limited**

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**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.



Dodd & Co Limited  
Chartered Accountants & Registered Auditors

14 October 2020

FIFTEEN Rosehill  
Montgomery Way  
Rosehill Estate  
CARLISLE  
CA1 2RW

Dodd & Co Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**Rydal Hall Limited**

**Consolidated Statement of Financial Activities (including Income and Expenditure Account) for the  
Year Ended 31 December 2019**

		Unrestricted Funds	Total Funds 2019	Total Funds 2018
	Note	£	£	£
<b>Income and endowments from:</b>				
Voluntary income	2	7,582	7,582	4,469
Rydal Hall Trading Limited activities	3	349,131	349,131	310,888
Investment income	4	1,312	1,312	931
Charitable activities	5	665,861	665,861	600,724
Other incoming resources	6	966	966	980
Total income and endowments		<u>1,024,852</u>	<u>1,024,852</u>	<u>917,992</u>
<b>Expenditure on:</b>				
Charitable activities		<u>1,049,132</u>	<u>1,049,132</u>	<u>947,419</u>
Total expenditure		<u>1,049,132</u>	<u>1,049,132</u>	<u>947,419</u>
Net movements in funds		(24,280)	(24,280)	(29,427)
<b>Reconciliation of funds</b>				
Total funds brought forward		(192,441)	(192,441)	(163,014)
Total funds carried forward		<u>(216,721)</u>	<u>(216,721)</u>	<u>(192,441)</u>

All of the Charity's activities derive from continuing operations during the above periods.

The notes on pages 13 to 24 form an integral part of these financial statements.

**Rydal Hall Limited**  
**Company registration number: 02561024**  
**Consolidated Balance Sheet as at 31 December 2019**

		2019		2018	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		72,149		72,089
<b>Current assets</b>					
Stocks and work in progress		8,689		6,155	
Debtors	14	40,447		60,780	
Cash at bank and in hand		195,665		166,697	
		<u>244,801</u>		<u>233,632</u>	
<b>Creditors: Amounts falling due within one year</b>	15	<u>(333,071)</u>		<u>(297,562)</u>	
<b>Net current liabilities</b>			<u>(88,270)</u>		<u>(63,930)</u>
<b>Net (liabilities)/assets</b>			<u>(16,121)</u>		<u>8,159</u>
<b>The funds of the charity:</b>					
<b>Unrestricted funds</b>					
Called up share capital			200,600		200,600
Unrestricted income funds			<u>(216,721)</u>		<u>(192,441)</u>
<b>Total unrestricted funds</b>			<u>(16,121)</u>		<u>8,159</u>
<b>Total charity funds</b>			<u>(16,121)</u>		<u>8,159</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 14 October 2020 and signed on its behalf by:

D Hurton  
.....

D S Hurton  
Trustee

The notes on pages 13 to 24 form an integral part of these financial statements.

**Rydal Hall Limited**  
**Charity Balance Sheet as at 31 December 2019**

		2019	2018
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	12	72,149	72,089
Investments	13	1	1
		<u>72,150</u>	<u>72,090</u>
<b>Current assets</b>			
Stocks and work in progress		8,689	6,155
Debtors	14	40,447	60,780
Cash at bank and in hand		195,665	166,697
		<u>244,801</u>	<u>233,632</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(333,072)</u>	<u>(297,563)</u>
<b>Net current liabilities</b>		(88,271)	(63,931)
<b>Net (liabilities)/assets</b>		<u>(16,121)</u>	<u>8,159</u>
<b>The funds of the charity:</b>			
<b>Unrestricted funds</b>			
Called up share capital		200,600	200,600
Unrestricted income funds		(216,721)	(192,441)
<b>Total unrestricted funds</b>		<u>(16,121)</u>	<u>8,159</u>
<b>Total charity funds</b>		<u>(16,121)</u>	<u>8,159</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 14 October 2020 and signed on its behalf by:

D Hurton

D S Hurton  
Trustee

The notes on pages 13 to 24 form an integral part of these financial statements.

**Rydal Hall Limited**

**Consolidated Cash Flow Statement for the Year Ended 31 December 2019**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Net cash provided by (used by) operating activities</b>		
Net expenditure for the period	(24,280)	(29,427)
Depreciation charges	15,673	17,288
(Increase)/decrease in stocks	(2,534)	2,347
Decrease/(increase) in debtors	20,333	(21,824)
Increase/(decrease) in creditors	35,509	(22,671)
	<u>44,701</u>	<u>(54,287)</u>
<b>Net cash provided by (used in) investing activities</b>		
Purchase of property, plant and equipment	(15,733)	(59,574)
	<u>(15,733)</u>	<u>(59,574)</u>
<b>Increase/(decrease) in cash</b>	<u><u>28,968</u></u>	<u><u>(113,861)</u></u>

The notes on pages 13 to 24 form an integral part of these financial statements.

## **Rydal Hall Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **1 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

##### **Basis of preparation**

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Going concern**

These financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

The group is dependent on the ongoing support of its parent charity, Carlisle Diocesan Board of Finance (CDBF), in order to continue trading. CDBF has confirmed such support shall continue to be provided and on that basis the charity remains a going concern.

##### **Fund accounting policy**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Further details of each fund are disclosed in note 20.

##### **Income and endowments**

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measured with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

## **Rydal Hall Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

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#### **Expenditure**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### **Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

#### **Taxation**

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Fixed assets**

Individual fixed assets costing - or more are initially recorded at cost.

#### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Freehold interest in land and buildings	10 years straight line basis
Plant and machinery	25% straight line basis
Fixtures and fittings	25% straight line basis

#### **Stock**

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

#### **Trade Debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.



## **Rydal Hall Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

..... continued

#### **Liabilities**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Operating leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

#### **Pensions**

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

#### **Financial instruments**

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### **Consolidation**

Consolidation financial statements have been prepared on a line by line basis in accordance with FRS102 and the Charities Act 2011.

The consolidated financial statements incorporate the accounts of:

- Rydal Hall Limited, the parent
- Rydal Hall Trading Limited, the wholly owned subsidiary.

# Rydal Hall Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019

..... continued

### 2 Donations and legacies

	Unrestricted Funds £	Total Funds 2019 £	Total Funds 2018 £
<b>Donations and legacies</b>			
Garden tours and donations	7,582	7,582	4,469

Of the donations and legacies income in 2018, £4,469 related to unrestricted funds.

### 3 Rydal Hall Trading Limited activities

	Unrestricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Cottages	35,161	35,161	21,383
Pods	11,364	11,364	10,118
Youth	29,187	29,187	36,035
Camping and car park	57,186	57,186	32,377
Sale of logs	244	244	179
Bulley barn	-	-	170
Tea shop	187,853	187,853	183,552
Yurt	18,536	18,536	17,592
Herdy huts	9,600	9,600	9,482
	<u>349,131</u>	<u>349,131</u>	<u>310,888</u>

Of the other trading activities income in 2018, £310,888 related to unrestricted funds.

### 4 Investment income

	Unrestricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Interest on cash deposits	1,312	1,312	931

Of the investment income in 2018, £931 related to unrestricted funds.

**Rydal Hall Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2019**

..... continued

**5 Charitable activities**

	<b>Unrestricted Funds £</b>	<b>Total Funds 2019 £</b>	<b>Total Funds 2018 £</b>
Bar and Hall Shop takings	34,780	34,780	21,226
Miscellaneous receipts	18,318	18,318	12,537
Room hire	3,148	3,148	2,297
Hall	609,615	609,615	564,664
	<u>665,861</u>	<u>665,861</u>	<u>600,724</u>

Of the income from charitable activities in 2018, £600,724 related to unrestricted funds.

**6 Other incoming resources**

	<b>Unrestricted Funds £</b>	<b>Total Funds 2019 £</b>	<b>Total Funds 2018 £</b>
Water and hydro-electric receipts	966	966	980
	<u>966</u>	<u>966</u>	<u>980</u>

Of the other income in 2018, £980 related to unrestricted funds.

# Rydal Hall Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019

..... continued

### 7 Expenditure

	Rydal Hall Trading	Charitable activities	Total 2019	Total 2018
	£	£	£	£
<b>Direct costs</b>				
Food purchases - adjusted for stock	37,282	97,486	134,768	116,161
Employment costs	129,803	451,991	581,794	544,669
Rent and rates	21,000	39,000	60,000	64,470
Rates	5,233	9,718	14,951	(14,103)
Electricity, gas and water system	14,987	27,833	42,820	31,665
Insurance	6,309	11,716	18,025	18,786
Repairs and maintenance	27,606	51,914	79,520	80,314
Upkeep of grounds	33	61	94	1,607
Garden Project general expenditure	2,788	5,179	7,967	9,285
Telephone and fax	1,351	2,509	3,860	6,130
Computer software and maintenance costs	2,300	10,149	12,449	7,693
Printing, postage and stationery	1,381	2,566	3,947	3,715
Trade subscriptions	-	-	-	142
Hire of plant and machinery	419	1,651	2,070	155
Sundry expenses	1,257	3,039	4,296	5,945
Cleaning	5,672	24,195	29,867	20,353
Management charges payable	2,800	5,200	8,000	-
Motor expenses	455	844	1,299	3,049
Advertising	3,604	6,692	10,296	9,261
	<u>264,280</u>	<u>751,743</u>	<u>1,016,023</u>	<u>909,297</u>
<b>Support costs</b>				
The audit of the charity's annual accounts	700	4,000	4,700	3,780
Auditors' remuneration - non audit work	-	2,550	2,550	1,695
Legal and professional fees	2,903	(486)	2,417	8,670
Bank charges	2,089	5,680	7,769	6,689
Depreciation of plant and machinery	-	15,673	15,673	17,288
	<u>5,692</u>	<u>27,417</u>	<u>33,109</u>	<u>38,122</u>
	<u>269,972</u>	<u>779,160</u>	<u>1,049,132</u>	<u>947,419</u>

Of the expenditure in 2018, £947,419 related to unrestricted funds. Of this, £672,870 related to Rydal Hall Limited, and £274,549 related to Rydal Hall Trading Limited.

# Rydal Hall Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019

..... continued

### 8 Governance costs

	2019	2018
	£	£
Auditors remuneration	4,700	3,780
Auditors remuneration - non audit work	2,550	1,675
Management charges	8,000	-
Legal and professional fees	4,875	8,670
	<u>20,125</u>	<u>14,125</u>

### 9 Trustees' remuneration and expenses

No trustees received any remuneration or expenses during the year.

### 10 Net expenditure

Net expenditure is stated after charging:

	2019	2018
	£	£
Auditors' remuneration - audit services	4,700	3,780
Depreciation of tangible fixed assets	<u>15,673</u>	<u>17,288</u>

### 11 Employees' remuneration

The aggregate payroll costs of these persons were as follows:

	2019	2018
	£	£
Wages and salaries	501,879	469,766
Social security	27,838	27,285
Other pension costs	51,325	45,110
	<u>581,042</u>	<u>542,161</u>

No employee received emoluments of more than £60,000 during the year.

The key management personnel comprise the Trustees. The total employee benefits of the key management personnel of the Charity were £nil (2018 - £nil).

**Rydal Hall Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2019**

..... continued

**12 Tangible fixed assets**

	Freehold interest in land and buildings (including heritage assets) £	Plant and machinery including motor vehicles £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
As at 1 January 2019	111,795	50,387	264,337	426,519
Additions	-	11,148	4,585	15,733
Disposals	-	(40,738)	(239,573)	(280,311)
As at 31 December 2019	<u>111,795</u>	<u>20,797</u>	<u>29,349</u>	<u>161,941</u>
<b>Depreciation</b>				
As at 1 January 2019	63,314	45,504	245,612	354,430
Eliminated on disposals	-	(40,738)	(239,573)	(280,311)
Charge for the year	6,865	1,777	7,031	15,673
As at 31 December 2019	<u>70,179</u>	<u>6,543</u>	<u>13,070</u>	<u>89,792</u>
<b>Net book value</b>				
As at 31 December 2019	<u>41,616</u>	<u>14,254</u>	<u>16,279</u>	<u>72,149</u>
As at 31 December 2018	<u>48,481</u>	<u>4,883</u>	<u>18,725</u>	<u>72,089</u>

**13 Investments in subsidiaries**

The charity holds more than 20% of the share capital of the following company:

	Country of incorporation	Principal activity	Class	%
<b>Subsidiary undertakings</b>				
Rydal Hall Trading Limited	United Kingdom	Provision of camp site facilities	Ordinary	100
		<b>Capital &amp; reserves £</b>	<b>Profit/(loss) for the period £</b>	
<b>Subsidiary undertakings</b>				
Rydal Hall Trading Limited			1	-

**Rydal Hall Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2019**

..... continued

**14 Debtors**

**Group**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade debtors	6,839	614
Other debtors	26,738	49,720
Prepayments and accrued income	6,870	10,446
	<u>40,447</u>	<u>60,780</u>

**Charity**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade debtors	6,839	614
Other debtors	26,738	49,720
Prepayments and accrued income	6,870	10,446
	<u>40,447</u>	<u>60,780</u>

**15 Creditors: Amounts falling due within one year**

**Group**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	21,090	32,871
Amounts owed to group undertakings	176,868	155,977
Taxation and social security	26,668	20,564
Other creditors	96,936	79,481
Accruals and deferred income	11,509	8,669
	<u>333,071</u>	<u>297,562</u>

**Charity**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	21,090	32,871
Amounts owed to group undertakings	177,519	166,947
Taxation and social security	26,668	10,245
Other creditors	96,936	79,481
Accruals and deferred income	10,859	8,019
	<u>333,072</u>	<u>297,563</u>

# Rydal Hall Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019

..... continued

### 16 Share capital

	2019 £	2018 £
Ordinary £1 share capital	200,600	200,600
	<u>200,600</u>	<u>200,600</u>

### 17 Operating lease commitments

As at 31 December 2019 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and Buildings	
	2019 £	2018 £
Within one year	<u>60,000</u>	<u>60,000</u>

### 18 Pension scheme

#### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £51,325 (2018 - £45,110).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.



## Rydal Hall Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

..... continued

#### 19 Related parties

##### Controlling entity

Rydal Hall Limited is a subsidiary of Carlisle Diocesan Board of Finance (registered charity) who is the sole shareholder of the charity, and ultimate controlling party of Rydal Hall Trading Limited, which is wholly owned by Rydal Hall Limited.

During the year the Charity paid rent to Carlisle Diocesan Board of Finance of £60,000 (2018 - £60,000).

The balance due to Carlisle Diocesan Board of Finance at 31 December 2019 is £176,868.

During the year Rydal Hall Trading Limited committed to making a donation to Rydal Hall Limited of £79,159. The balance due to Rydal Hall Trading Limited at 31 December 2019 is £nil.

#### 20 Analysis of funds

	At 1 January 2019	Incoming resources	Resources expended	At 31 December 2019
	£	£	£	£
<b>General Funds</b>				
Unrestricted income fund	<u>(192,441)</u>	<u>1,024,852</u>	<u>(1,049,132)</u>	<u>(216,721)</u>

##### Prior period

	At 1 January 2018	Incoming resources	Resources expended	At 31 December 2018
	£	£	£	£
<b>General Funds</b>				
Unrestricted income fund	<u>(163,014)</u>	<u>643,443</u>	<u>(672,870)</u>	<u>(192,441)</u>

# Rydal Hall Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019

..... continued

### 21 Net assets by fund

	Unrestricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£
Tangible assets	72,149	72,149	72,089
Current assets	244,801	244,801	233,632
Creditors: Amounts falling due within one year	(333,071)	(333,071)	(297,562)
Ordinary share capital	(200,600)	(200,600)	(200,600)
Net assets	<u>(216,721)</u>	<u>(216,721)</u>	<u>(192,441)</u>

#### Prior period

	Unrestricted Funds	Total Funds 2018	Total Funds 2017
	£	£	£
Tangible assets	72,089	72,089	29,803
Current assets	233,632	233,632	328,016
Creditors: Amounts falling due within one year	(297,562)	(297,562)	(320,233)
Ordinary Share Capital	(200,600)	(200,600)	(200,600)
Net assets	<u>(192,441)</u>	<u>(192,441)</u>	<u>(163,014)</u>

### 22 Post Balance Sheet Event

Two months after the 2019 year-end, the world became aware of the severity and potential impact of the Covid-19 pandemic. By late March, the UK was in strict lockdown, all places of worship, tourist and leisure facilities were closed and most people were unable to attend their workplaces.

As a result, Rydal Hall was temporarily closed and all but two members of staff placed in the Government 'furlough' Job Retention Scheme. From June 2020, elements of the Hall and Estate started to reopen, operating within the Government 'Covid-19 Secure' guidelines and risk assessments. By late July the Hall itself was starting to accept small numbers guests, although the 'rule of 6' continues to impact on group bookings.

The full impact – both long-term and for the 2020-21 winter season continue to unfold, but the Trustees meet and assess the risks and financial impact at least once a month. It is expected that elements of the Hall and estate – cottages and tea-shop - will continue to operate through the winter as long as government regulations allow. Income and costs will be monitored closely, but 2020 will see a significant deficit for which financial support will be needed from the Diocesan Board of Finance.

The COVID-19 crisis is treated as a non-adjusting event and no adjustments are deemed to be required to the accounts for the impact of the above events since the balance sheet date.