

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

England & Wales · Charity number 1065424

Details

Other names BACET

Status Registered

Legal form Other

Registered 1997-11-03

Register [View on the Charity Commission register](#)

Contact

Address Low House Business Centre
Cleabarrow
Windermere
Cumbria
LA23 3NA

Phone 01229464298

Email suebacet@gmail.com

Activities

Objects: THE MAINTENANCE OR SUPPORT SO FAR AS THE TRUSTEES MAY FROM TIME TO TIME DETERMINE TO BE EXPEDIENT OF THE CHARITABLE TRUST KNOWN AS THE KENDAL BREWERY ARTS CENTRE TRUST

Activities: THE CHARITY EXISTS TO PROVIDE FINANCIAL ASSISTANCE TO THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED.

Classification

- **How:** Makes Grants To Organisations
- **What:** Arts/culture/heritage/science
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Cumbria

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£50,070	£131,956	-	-
2024-03-31	£50,393	£128,079	-	-
2023-03-31	£44,196	£136,494	-	-
2022-03-31	£41,185	£79,736	-	-
2021-03-31	£52,707	£79,693	-	-

Trustees

Name	Role	Appointed
HUGO PRING	Chair	2014-06-27
JOANNA MARGARET PLUMPTRE		
MADELEINE MARY SCOTT		2015-12-05
Simon James Venner Osmond		2024-07-23

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

England & Wales - Charity number 1065424

Accounts

**The Brewery Arts Centre
Endowment Trust**

Registration number: 1065424

**Annual Report and Financial
Statements**

31 March 2025



The Brewery Arts Centre Endowment Trust

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The Brewery Arts Centre Endowment Trust
Reference and Administrative Details

Charity name	The Brewery Arts Centre Endowment Trust
Charity registration number	1065424
Principal office	c/o Madeleine Scott Low House Business Centre WINDERMERE LA23 3NA
Registered office	c/o Madeleine Scott Low House Business Centre WINDERMERE LA23 3NA
Trustees	P R W Hensman (Resigned 23 July 2024) C S Fairclough J M Plumptre H Pring M M Scott S J V Osmond (Appointed 23 July 2024)
Secretary	S Wiggins
Bankers	Barclays Bank plc 9 Highgate KENDAL LA9 4DF
Accountant	Dodd & Co Limited FIFTEEN Rosehill Montgomery Way Rosehill Estate CARLISLE CA1 2RW
Investment Advisor	Cazenove Capital Management Limited 12 Moorgate LONDON EC2R 6DA

The Brewery Arts Centre Endowment Trust
Trustees' Report for the Year Ended 31 March 2025

The trustees present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of 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).

Structure, governance and management

The Brewery Arts Centre Endowment Trust (BACET) was established by Deed of Trust dated 20 November 1997 which was amended by a Deed of Amendment of Declaration of Trust dated 25 February 2002.

BACET was established as a result of the great generosity of the Francis C. Scott and the Frieda Scott Charitable Trusts. Both trusts made donations totalling £1.550m in total, the purpose of which is, subject to the discretion of the BACET trustees, to generate funds to help defray the running costs of Kendal Brewery Arts Centre Trust (KBACT). The original donation should ideally be maintained and is only available for distribution in exceptional circumstances.

Recruitment and appointment of new trustees

Under the terms of the Deed of Amendment of Declaration of Trust dated 25 February 2002 the trustees of the Francis C. Scott Charitable Trust are entitled to nominate three trustees and the trustees of the Frieda Scott Charitable Trust are entitled to nominate two trustees. Trustees shall hold office for a term of five years from the date of their appointment and shall be eligible for re-appointment.

Organisational structure

The charity does not employ any staff directly; it uses the services of RJB Limited to provide secretarial services. Details of the trustees who served during the year are set out on page 1.

All trustees give of their time freely and no trustee remuneration or expenses were paid in the year. Trustees are required to disclose all relevant interests to the other trustees and in accordance with the charity's policy withdraw from decisions where a conflict of interest arises.

The trustees meet regularly in order, inter alia, to monitor the performance of the investment portfolio and to determine the level of maintenance funding to KBACT. There are no sub committees.

Induction and training of new trustees

An induction pack is available to any new trustee which includes a copy of the trust deed, a summary of the trust's objectives, a copy of the Charity Commission's guide on the duties of a trustee, details of the investment portfolio and the most recent financial statements.

Objectives and aims

BACET exists to provide financial assistance to the Kendal Brewery Arts Centre Trust Limited (KBACT).

The objective is met by establishing the amount of funding to be provided to KBACT, setting and maintaining a supportive investment policy and distributing an appropriate amount of income arising on the charity's general fund. The BACET trustees may, however, at their discretion also appropriate capital gains for this purpose.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives, in planning future activities and setting the grant making policy for the year.

The public benefit is the financial assistance provided to KBACT, itself a registered charity, in order to help it to continue to deliver its public benefit.

Grant-making policy

Grants are only made to KBACT in accordance with the objectives stated above. The trustees consider that no detriment or harm arises from the grants made.

The Brewery Arts Centre Endowment Trust
Trustees' Report for the Year Ended 31 March 2025

Achievements and performance

The trust's sole beneficiary, KBACT, continued to require substantial support during the year. Notwithstanding the additional £100,000 paid to KBACT over the previous two financial years, KBACT requested additional funding this year. KBACT trustees requested that BACET's regular support could be increased to £100,000 pa (from £66,000 pa). After due consideration, BACET offered to increase its monthly support to KBACT from £5,500 pm to £7,000 pm until 2027 (subject to review in March 2026). BACET also provided another capital sum of £50,000 utilising accumulated capital. (After the end of the period in question, KBACT approached BACET for an additional £20,000 capital sum to assist with the purchase of a new boiler. BACET Trustees have also approved this payment.)

Financial review

The trust's support for its beneficiary is reliant on the income from its investments which was £50,070 (2024 - £50,393) and the gains on investments. The net gain on investment assets was £7,905 (2024 - £122,583) and was made up of a gain of £10,100 (2024 - £2,026) on the sale of investments and an unrealised loss of £2,195 (2024 - gain of £120,557) on investments held at the year end.

The fund managers' fees have increased to £10,012 (2024 - £9,284).

The funding provided to KBACT consisted of a maintenance grant of £69,000 (2024 - £66,000) and a £50,000 (2024 - £50,000) contribution to future sustainability.

The secretarial fees have increased to £1,200 (2024 - £1,000).

Total funds at the year end decreased from £2,033,734 to £1,959,753 due to market performance.

Investment policy and performance

The trust's investment assets are managed by external fund managers, Cazenove Capital Management Limited. There were no restrictions on the charity's power to invest and the funds are invested in a portfolio of investment funds.

It is the objective of the trustees to invest the trust funds to produce a distributable amount that, over time, grows roughly in line with inflation.

On 7 January 2021, the trustees made a resolution under section 104(A) of the Charities Act 2011 to adopt a total return on investment approach to the permanent endowment fund. On 1 April 2021, the board identified the value of the gifts of permanent endowment received since the fund was established to be £1,550,000. This set the baseline value of the gift component of the endowment. The difference between the total of endowment funds as at 1 April 2021 and the value of the gift component represented the opening balance of unapplied total return. The power of total return permits the trustees to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income each year. Until this power is exercised, the unapplied total return remains invested as part of the permanent endowment.

In order to decide the level of transfer to income, the trustees sought advice from the charity's Investment Manager as to the likely investment trends and the maintenance of the real value of the investment fund.

The trustees have adopted the ARC Steady Growth Index (PCI) as the principal benchmark for the performance of the fund. The trustees compare the performance of their Investment Managers with the benchmark over the period and the longer term and keep this under regular review. The portfolio's one-year total return to 31 March 2025 was 2.2% (2024: 8.7%) and the ARC Steady Growth benchmark was 4.9% (2024: 9.24%). Five years total return to 31 March 2025 was 38.9% and the benchmark was 37.7%.

Reserves policy

The trustees need to retain sufficient cash in unrestricted funds to enable regular grant payments to be made to KBACT. Funds are transferred from Permanent Endowment to unrestricted funds in line with the total return policy and together with income received should be adequate to meet these requirements.

At 31 March 2025 unrestricted funds held were £13,846 (2024 - £18,709) which the trustees believe is adequate to fund on-going grant payments.

The Brewery Arts Centre Endowment Trust
Trustees' Report for the Year Ended 31 March 2025

Going concern

As the unapplied total return (excess of the current value of the portfolio over the original value of grants received) stands at £395,907 at 31 March 2025 and with the trustees ability to reduce grant payments to the beneficiary if necessary, the trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Risk management


The charity trustees have considered and reviewed the major risks to which the charity is exposed and have established systems and procedures to manage those risks. The trustees consider variability of investment returns on the permanent and expendable endowment funds to constitute the charity's major risk. This risk is managed by the appointment of external fund managers whose performance is regularly monitored by the trustees.

Internal control risks are minimised by the implementation of procedures for authorisation of all transactions. These procedures are periodically reviewed to ensure they continue to meet the needs of the charity.

Future plans

The charity plans to continue the activities outlined above in the forthcoming years subject to the satisfactory performance of its investment portfolio.

Approved by the Trustees on 12 August 2025 and signed on their behalf by:

.....

H Pring
Trustee

The Brewery Arts Centre Endowment Trust
Trustees' Responsibilities in relation to the Financial Statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity 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 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 charity 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 charity and enable them to ensure that the financial statements comply with the Charities Act 2011 as amended by the Charities Act 2022, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent Examiner's Report to the Trustees of
The Brewery Arts Centre Endowment Trust**

I report on the accounts of the charity for the year ended 31 March 2025, which are set out on pages 7 to 15.

Your attention is drawn to the fact that the Charity has prepared the financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has since been withdrawn.

We understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

Respective responsibilities of trustees and examiner

The Charity's trustees 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 as amended by the Charities Act 2022 (the Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145 (5) (b) of the 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 130 of the Charities Act 2011 as amended by the Charities Act 2022; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Acthave 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.


.....
Joanne Thomlinson FCA
Dodd & Co Limited
Chartered Accountants

12 August 2025

FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

The Brewery Arts Centre Endowment Trust
Statement of Financial Activities for the Year Ended 31 March 2025

	Note	Unrestricted Funds £	Endowment Funds £	Total Funds 2025 £	Total Funds 2024 £
Income					
Investment income	2	-	50,070	50,070	50,393
Total income		-	50,070	50,070	50,393
Expenditure					
Raising funds		-	10,012	10,012	9,284
Charitable activities		121,944	-	121,944	118,795
Total expenditure		121,944	10,012	131,956	128,079
Gains/(losses) on investment assets		-	7,905	7,905	122,583
Net income/(expenditure)		(121,944)	47,963	(73,981)	44,897
Transfers between funds		117,081	(117,081)	-	-
		(4,863)	(69,118)	(73,981)	44,897
Net movement in funds					
Reconciliation of funds					
Total funds brought forward		18,709	2,015,025	2,033,734	1,988,837
Total funds carried forward		13,846	1,945,907	1,959,753	2,033,734

The notes on pages 9 to 15 form an integral part of these financial statements.

The Brewery Arts Centre Endowment Trust
Balance Sheet as at 31 March 2025

		2025		2024	
	Note	£	£	£	£
Fixed assets					
Investments	8		1,944,051		2,013,980
Current assets					
Debtors	9	3,895		2,861	
Cash at bank and in hand		17,281		21,862	
		<u>21,176</u>		<u>24,723</u>	
Creditors: Amounts falling due within one year	10	<u>(5,474)</u>		<u>(4,969)</u>	
Net current assets			<u>15,702</u>		<u>19,754</u>
Net assets			<u>1,959,753</u>		<u>2,033,734</u>
The funds of the charity:					
Endowment funds			1,945,907		2,015,025
Unrestricted funds					
Unrestricted income funds			<u>13,846</u>		<u>18,709</u>
Total charity funds			<u>1,959,753</u>		<u>2,033,734</u>

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Approved by the Board on 12 August 2025 and signed on its behalf by:



 H Pring
 Trustee

The notes on pages 9 to 15 form an integral part of these financial statements.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2025

1 Accounting policies

Statement of compliance

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 as amended by the Charities Act 2022.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Basis of preparation

The charity 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.

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 12.

Income and endowments

Investment income is recognised on a receivable basis.

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.

Costs of raising funds are the investment management costs incurred by the charity,

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.

Grants payable are payments made to third parties in the furtherance of the charitable objectives. Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specific service or output.

Grants payable without performance conditions are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2025

..... continued

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

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.

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.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

2 Investment income

	Unrestricted Funds £	Endowment Funds £	Total Funds 2025 £	Total Funds 2024 £
Dividends	-	48,138	48,138	48,606
Interest on cash deposits	-	1,932	1,932	1,787
	-	50,070	50,070	50,393

All of the investment income in 2024 related to endowment funds.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2025

..... continued

3 Expenditure

	Investment management	Grant funding of activities	Total 2025	Total 2024
	£	£	£	£
Direct costs				
Kendal Brewery Arts Centre Trust Limited	-	119,000	119,000	116,000
Portfolio management costs	10,012	-	10,012	9,284
	<u>10,012</u>	<u>119,000</u>	<u>129,012</u>	<u>125,284</u>
Support costs				
Sundry expenses	-	-	-	60
Accountancy fees	-	1,244	1,244	1,235
Independent examiner's fee	-	500	500	500
Secretarial fees	-	1,200	1,200	1,000
	<u>-</u>	<u>2,944</u>	<u>2,944</u>	<u>2,795</u>
	<u>10,012</u>	<u>121,944</u>	<u>131,956</u>	<u>128,079</u>

Of the expenditure in 2024 £118,795 related to unrestricted funds and £9,284 related to endowment funds.

4 Grants to institutions

Name of Institution	Activity	£
Kendal Brewery Arts Centre Trust Limited	Grant funding of activities	<u>119,000</u>

5 Governance costs

	2025	2024
	£	£
Accountancy fees	1,244	1,235
Independent examiner's fee	500	500
Secretarial fees	1,200	1,000
	<u>2,944</u>	<u>2,735</u>

6 Trustees' remuneration and expenses

No trustees received any remuneration or expenses during the year.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2025

..... continued

7 Taxation

The registered charity is exempt from taxation on income and gains.

8 Investments held as fixed assets

	Listed investments £	Cash deposits £	Total £
Market value			
As at 1 April 2024	2,001,718	12,262	2,013,980
Revaluation	7,905	-	7,905
Additions	433,963	532,888	966,851
Disposals	(556,802)	(487,883)	(1,044,685)
As at 31 March 2025	<u>1,886,784</u>	<u>57,267</u>	<u>1,944,051</u>
Net book value			
As at 31 March 2025	<u>1,886,784</u>	<u>57,267</u>	<u>1,944,051</u>
As at 31 March 2024	<u>2,001,718</u>	<u>12,262</u>	<u>2,013,980</u>

All investment assets were held in the UK.

9 Debtors

	2025 £	2024 £
Prepayments and accrued income	<u>3,895</u>	<u>2,861</u>

10 Creditors: Amounts falling due within one year

	2025 £	2024 £
Accruals and deferred income	<u>5,474</u>	<u>4,969</u>

11 Related parties

Controlling entity

The charity is controlled by the trustees.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2025

12 Analysis of funds

	At 1 April 2024	Incoming resources	Resources expended	Transfers	Other recognised gains/losses	At 31 March 2025
	£	£	£	£	£	£
General Funds						
Unrestricted income fund	18,709	-	(121,944)	117,081	-	13,846
Permanent Endowment						
Permanent endowment	<u>2,015,025</u>	<u>50,070</u>	<u>(10,012)</u>	<u>(117,081)</u>	<u>7,905</u>	<u>1,945,907</u>
	<u>2,033,734</u>	<u>50,070</u>	<u>(131,956)</u>	<u>-</u>	<u>7,905</u>	<u>1,959,753</u>

Permanent endowment funds - This represents funds of £1,550,000 originally received from both The Francis C Scott Charitable Trust and The Frieda Scott Charitable Trust under the Declaration of Trust dated 25 September 1997 ("the Trust Deed"). Under the terms of the Trust Deed any capital appreciation of the original total donation of £1,550,000 can, at the discretion of the trustees, be applied towards the objects of the charity.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2025

..... continued

Prior period

	At 1 April 2023	Incoming resources	Resources expended	Transfers	Other recognised gains/losses	At 31 March 2024
	£	£	£	£	£	£
General Funds						
Unrestricted income fund	21,017	-	(118,795)	116,487	-	18,709
Permanent Endowment						
Permanent endowment	1,967,820	50,393	(9,284)	(116,487)	122,583	2,015,025
	<u>1,988,837</u>	<u>50,393</u>	<u>(128,079)</u>	<u>-</u>	<u>122,583</u>	<u>2,033,734</u>

13 Transfers

In order to conform with the trust's total return investment policy, a transfer of capital of £24,000 was made from permanent endowment to income in the year, along with £50,070 of investment income received in the year less £1,034 of accrued income and £5,955 of income reinvested. There was a further transfer of £50,000 directly to Kendal Brewery Arts Centre Trust.

14 Total return on investments

	Trust for investment	Unapplied total return	Total endowment
At 1 April 2024	1,550,000	465,025	2,015,025
Movements in reporting period:			
Investment income	-	50,070	50,070
Investment return: realised and unrealised gains/losses	-	7,905	7,905
Less: investment management costs	-	(10,012)	(10,012)
Total	-	47,963	47,963
Unapplied total return allocated to income in the reporting period	-	(117,081)	(117,081)
Net movements in reporting period	-	(69,118)	(69,118)
As at 31 March 2025	<u>1,550,000</u>	<u>395,907</u>	<u>1,945,907</u>

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2025

..... continued

15 Net assets by fund

	Unrestricted Funds	Endowment Funds	Total Funds 2025	Total Funds 2024
	£	£	£	£
Investments	-	1,944,051	1,944,051	2,013,980
Current assets	16,791	4,385	21,176	24,723
Creditors: Amounts falling due within one year	(2,945)	(2,529)	(5,474)	(4,969)
Net assets	<u>13,846</u>	<u>1,945,907</u>	<u>1,959,753</u>	<u>2,033,734</u>

Prior period

	Unrestricted Funds	Endowment Funds	Total Funds 2024	Total Funds 2023
	£	£	£	£
Investment	-	2,013,980	2,013,980	1,968,398
Current assets	21,372	3,351	24,723	25,354
Creditors: Amounts falling due within one year	(2,663)	(2,306)	(4,969)	(4,915)
Net assets	<u>18,709</u>	<u>2,015,025</u>	<u>2,033,734</u>	<u>1,988,837</u>

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

England & Wales - Charity number 1065424

Accounts

**The Brewery Arts Centre
Endowment Trust**

Registration number: 1065424

**Annual Report and Financial
Statements**

31 March 2024



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Reference and Administrative Details

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Charity registration number	1065424
Principal office	1 Low House Business Centre WINDERMERE LA23 3NA
Registered office	1d Low House Business Centre WINDERMERE LA23 3NA
Trustees	P R W Hensman C S Fairclough J M Plumptre H Pring M M Scott
Secretary	S Wiggins
Bankers	Barclays Bank plc 9 Highgate KENDAL LA9 4DF
Accountant	Dodd & Co Limited FIFTEEN Rosehill Montgomery Way Rosehill Estate CARLISLE CA1 2RW
Investment Advisor	Cazenove Capital Management Limited 12 Moorgate LONDON EC2R 6DA

The Brewery Arts Centre Endowment Trust
Trustees' Report for the Year Ended 31 March 2024

The trustees present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of 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).

Structure, governance and management

The Brewery Arts Centre Endowment Trust (BACET) was established by Deed of Trust dated 20 November 1997 which was amended by a Deed of Amendment of Declaration of Trust dated 25 February 2002.

BACET was established as a result of the great generosity of the Francis C. Scott and the Frieda Scott Charitable Trusts. Both trusts made donations totalling £1.550m in total, the purpose of which is, subject to the discretion of the BACET trustees, to generate funds to help defray the running costs of Kendal Brewery Arts Centre Trust (KBACT). The original donation must be maintained and is not available for distribution.

Recruitment and appointment of new trustees

Under the terms of the Deed of Amendment of Declaration of Trust dated 25 February 2002 the trustees of the Francis C. Scott Charitable Trust are entitled to nominate three trustees and the trustees of the Frieda Scott Charitable Trust are entitled to nominate two trustees. Trustees shall hold office for a term of five years from the date of their appointment and shall be eligible for re-appointment.

Organisational structure

The charity does not employ any staff directly; it uses the services of RJB Limited to provide secretarial services. Details of the trustees who served during the year are set out on page 1.

All trustees give of their time freely and no trustee remuneration or expenses were paid in the year. Trustees are required to disclose all relevant interests to the other trustees and in accordance with the charity's policy withdraw from decisions where a conflict of interest arises.

The trustees meet regularly in order, inter alia, to monitor the performance of the investment portfolio and to determine the level of maintenance funding to KBACT. There are no sub committees.

Induction and training of new trustees

An induction pack is available to any new trustee which includes a copy of the trust deed, a summary of the trust's objectives, a copy of the Charity Commission's guide on the duties of a trustee, details of the investment portfolio and the most recent financial statements.

Objectives and aims

BACET exists to provide financial assistance to the Kendal Brewery Arts Centre Trust Limited (KBACT).

The objective is met by establishing the amount of funding to be provided to KBACT, setting and maintaining a supportive investment policy and distributing an appropriate amount of income arising on the charity's general fund. The BACET trustees may, however, at their discretion also appropriate capital gains for this purpose.

Public benefit

The trustees confirm that that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives, in planning future activities and setting the grant making policy for the year.

The public benefit is the financial assistance provided to KBACT, itself a registered charity, in order to help it to continue to deliver its public benefit.

Grant-making policy

Grants are only made to KBACT in accordance with the objectives stated above. The trustees consider that no detriment or harm arises from the grants made.

The Brewery Arts Centre Endowment Trust
Trustees' Report for the Year Ended 31 March 2024

Achievements and performance

The trust's sole beneficiary, KBACT, continued to require support during the year and the trustees approved the maximum maintenance grant they thought was appropriate to support it. Last year, KBACT trustees, after a review of KBACT's funding needs, approached the trust for an additional grant of £100,000 to provide additional working capital and secure its long-term sustainability. The trustees agreed to make a payment of £50,000 immediately and a further £50,000 in 2023/24 subject to the receipt of a satisfactory business plan from KBACT. The additional £50,000 has been paid during this year from cash previously set aside for this purpose.

Financial review

The trust's support for its beneficiary is reliant on the income from its investments which was £50,393 (2023 - £44,196) and the gains on investments. The net gain on investment assets was £122,583 (2023 - loss of £97,732) and was made up of a gain of £2,026 (2023 - £34,397) on the sale of investments and an unrealised gain of £120,557 (2023 - loss of £132,129) on investments held at the year end.

The fund managers' fees have decreased to £9,284 (2023 - £9,806).

The funding provided to KBACT consisted of a maintenance grant of £66,000 (2023 - £66,000) and a £50,000 contribution to future sustainability.

The secretarial fees remained the same at £1,000 (2023 - £1,000).

Total funds at the year end increased from £1,988,837 to £2,033,734 due to market performance.

Investment policy and performance

The trust's investment assets are managed by external fund managers, Cazenove Capital Management Limited. There were no restrictions on the charity's power to invest and the funds are invested in a portfolio of investment funds.

It is the objective of the trustees to invest the trust funds to produce a distributable amount that, over time, grows, at a minimum, in line with inflation (as measured by CPI). To achieve this, they need to ensure that the real value of the endowment fund is maintained over the longer term.

On 7 January 2021, the trustees made a resolution under section 104(A) of the Charities Act 2011 to adopt a total return on investment approach to the permanent endowment fund. On 1 April 2021, the board identified the value of the gifts of permanent endowment received since the fund was established to be £1,550,000. This set the baseline value of the gift component of the endowment. The difference between the total of endowment funds as at 1 April 2021 and the value of the gift component represented the opening balance of unapplied total return. The power of total return permits the trustees to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income each year. Until this power is exercised, the unapplied total return remains invested as part of the permanent endowment.

In order to decide the level of transfer to income, the trustees sought advice from the charity's Investment Manager as to the likely investment trends and the maintenance of the real value of the investment fund.

The trustees have adopted the ARC Steady Growth Index (PCI) as the principal benchmark for the performance of the fund. The trustees compare the performance of their Investment Managers with the benchmark over the period and the longer term and keep this under regular review. The portfolio's one-year total return to 31 March 2024 was 8.7% (2023: -3%) and the ARC Steady Growth benchmark was 9.24% (2023: -3.3%). Five years total return to 31 March 2024 was 21.7% and the benchmark was 24.44%; until 2021 the trustees adopted a different investment policy which favoured income over total return.

Reserves policy

The trustees need to retain sufficient cash in unrestricted funds to enable regular grant payments to be made to KBACT. Funds are transferred from Permanent Endowment to unrestricted funds in line with the total return policy and together with income received should be adequate to meet these requirements.

At 31 March 2024 unrestricted funds held were £18,709 (2023 - £21,017) which the trustees believe is adequate to fund on-going grant payments.

The Brewery Arts Centre Endowment Trust
Trustees' Report for the Year Ended 31 March 2024

Going concern

As the unapplied total return (excess of the current value of the portfolio over the original value of grants received) stands at £465,025 at 31 March 2024 and with the trustees ability to reduce grant payments to the beneficiary if necessary, the trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Risk management

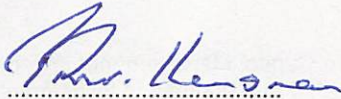
The charity trustees have considered and reviewed the major risks to which the charity is exposed and have established systems and procedures to manage those risks. The trustees consider variability of investment returns on the permanent and expendable endowment funds to constitute the charity's major risk. This risk is managed by the appointment of external fund managers whose performance is regularly monitored by the trustees.

Internal control risks are minimised by the implementation of procedures for authorisation of all transactions. These procedures are periodically reviewed to ensure they continue to meet the needs of the charity.

Future plans

The charity plans to continue the activities outlined above in the forthcoming years subject to the satisfactory performance of its investment portfolio.

Approved by the Trustees on 23 July 2024 and signed on their behalf by:



P R W Hensman
Trustee

The Brewery Arts Centre Endowment Trust
Trustees' Responsibilities in relation to the Financial Statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity 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 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 charity 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 charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent Examiner's Report to the Trustees of
The Brewery Arts Centre Endowment Trust**

I report on the accounts of the charity for the year ended 31 March 2024, which are set out on pages 7 to 15.

Your attention is drawn to the fact that the Charity has prepared the financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has since been withdrawn.

We understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

Respective responsibilities of trustees and examiner

The Charity's trustees 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.

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 130 of the Charities Act 2011; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of the 2011 Acthave 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.

.....
Joanne Thomlinson FCA
Dodd & Co Limited
Chartered Accountants

23 July 2024

FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

The Brewery Arts Centre Endowment Trust
Statement of Financial Activities for the Year Ended 31 March 2024

	Note	Unrestricted Funds £	Endowment Funds £	Total Funds 2024 £	Total Funds 2023 £
Income					
Investment income	2	-	50,393	50,393	44,196
Total income		-	50,393	50,393	44,196
Expenditure					
Raising funds		-	9,284	9,284	9,806
Charitable activities		118,795	-	118,795	126,688
Total expenditure		118,795	9,284	128,079	136,494
Gains/(losses) on investment assets		-	122,583	122,583	(97,732)
Net income/(expenditure)		(118,795)	163,692	44,897	(190,030)
Transfers between funds		116,487	(116,487)	-	-
Net movement in funds		(2,308)	47,205	44,897	(190,030)
Reconciliation of funds					
Total funds brought forward		21,017	1,967,820	1,988,837	2,178,867
Total funds carried forward		18,709	2,015,025	2,033,734	1,988,837

The notes on pages 9 to 15 form an integral part of these financial statements.

The Brewery Arts Centre Endowment Trust

Balance Sheet as at 31 March 2024

		2024		2023	
	Note	£	£	£	£
Fixed assets					
Investments	8		2,013,980		1,968,398
Current assets					
Debtors	9	2,861		1,395	
Cash at bank and in hand		<u>21,862</u>		<u>23,959</u>	
		24,723		25,354	
Creditors: Amounts falling due within one year	10	<u>(4,969)</u>		<u>(4,915)</u>	
Net current assets			<u>19,754</u>		<u>20,439</u>
Net assets			<u>2,033,734</u>		<u>1,988,837</u>
The funds of the charity:					
Endowment funds			2,015,025		1,967,820
Unrestricted funds					
Unrestricted income funds			<u>18,709</u>		<u>21,017</u>
Total charity funds			<u>2,033,734</u>		<u>1,988,837</u>

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Approved by the Board on 23 July 2024 and signed on its behalf by:



P R W Hensman
Trustee

The notes on pages 9 to 15 form an integral part of these financial statements.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2024

1 Accounting policies

Statement of compliance

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Basis of preparation

The charity 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.

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 12.

Income and endowments

Investment income is recognised on a receivable basis.

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.

Costs of raising funds are the investment management costs incurred by the charity,

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.

Grants payable are payments made to third parties in the furtherance of the charitable objectives. Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specific service or output.

Grants payable without performance conditions are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2024

..... continued

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

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.

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.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

2 Investment income

	Unrestricted Funds £	Endowment Funds £	Total Funds 2024 £	Total Funds 2023 £
Dividends	-	48,606	48,606	42,943
Interest on cash deposits	-	1,787	1,787	1,253
	-	<u>50,393</u>	<u>50,393</u>	<u>44,196</u>

All of the investment income in 2023 related to endowment funds.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2024

..... continued

3 Expenditure

	Investment management	Grant funding of activities	Total 2024	Total 2023
	£	£	£	£
Direct costs				
Kendal Brewery Arts Centre Trust Limited	-	116,000	116,000	124,073
Portfolio management costs	9,284	-	9,284	9,806
	<u>9,284</u>	<u>116,000</u>	<u>125,284</u>	<u>133,879</u>
Support costs				
Sundry expenses	-	60	60	103
Accountancy fees	-	1,235	1,235	1,012
Independent examiner's fee	-	500	500	500
Secretarial fees	-	1,000	1,000	1,000
	<u>-</u>	<u>2,795</u>	<u>2,795</u>	<u>2,615</u>
	<u>9,284</u>	<u>118,795</u>	<u>128,079</u>	<u>136,494</u>

Of the expenditure in 2023 £126,688 related to unrestricted funds and £9,806 related to endowment funds.

4 Grants to institutions

Name of Institution	Activity	£
Kendal Brewery Arts Centre Trust Limited	Grant funding of activities	<u>116,000</u>

5¹ Governance costs

	2024	2023
	£	£
Accountancy fees	1,235	1,012
Independent examiner's fee	500	500
Secretarial fees	1,000	1,000
	<u>2,735</u>	<u>2,512</u>

6 Trustees' remuneration and expenses

No trustees received any remuneration or expenses during the year.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2024

..... continued

7 Taxation

The registered charity is exempt from taxation on income and gains.

8 Investments held as fixed assets

	Listed investments £	Cash deposits £	Total £
Market value			
As at 1 April 2023	1,951,816	16,582	1,968,398
Revaluation	122,583	-	122,583
Additions	280,772	359,407	640,179
Disposals	<u>(353,453)</u>	<u>(363,727)</u>	<u>(717,180)</u>
As at 31 March 2024	<u>2,001,718</u>	<u>12,262</u>	<u>2,013,980</u>
Net book value			
As at 31 March 2024	<u>2,001,718</u>	<u>12,262</u>	<u>2,013,980</u>
As at 31 March 2023	<u>1,951,816</u>	<u>16,582</u>	<u>1,968,398</u>

All investment assets were held in the UK.

9 Debtors

	2024 £	2023 £
Prepayments and accrued income	<u>2,861</u>	<u>1,395</u>

10 Creditors: Amounts falling due within one year

	2024 £	2023 £
Accruals and deferred income	<u>4,969</u>	<u>4,915</u>

11 Related parties

Controlling entity

The charity is controlled by the trustees.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2024

12 Analysis of funds

	At 1 April 2023	Incoming resources	Resources expended	Transfers	Other recognised gains/losses	At 31 March 2024
	£	£	£	£	£	£
General Funds						
Unrestricted income fund	21,017	-	(118,795)	116,487	-	18,709
Permanent Endowment						
Permanent endowment	<u>1,967,820</u>	<u>50,393</u>	<u>(9,284)</u>	<u>(116,487)</u>	<u>122,583</u>	<u>2,015,025</u>
	<u><u>1,988,837</u></u>	<u><u>50,393</u></u>	<u><u>(128,079)</u></u>	<u><u>-</u></u>	<u><u>122,583</u></u>	<u><u>2,033,734</u></u>

Permanent endowment funds - This represents funds of £1,550,000 originally received from both The Francis C Scott Charitable Trust and The Frieda Scott Charitable Trust under the Declaration of Trust dated 25 September 1997 ("the Trust Deed"). Under the terms of the Trust Deed any capital appreciation of the original total donation of £1,550,000 can, at the discretion of the trustees, be applied towards the objects of the charity.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2024

..... continued

Prior period

	At 1 April 2022	Incoming resources	Resources expended	Transfers	Other recognised gains/losses	At 31 March 2023
	£	£	£	£	£	£
General Funds						
Unrestricted income fund	17,126	-	(126,688)	130,579	-	21,017
Permanent Endowment						
Permanent endowment	2,161,741	44,196	(9,806)	(130,579)	(97,732)	1,967,820
	<u>2,178,867</u>	<u>44,196</u>	<u>(136,494)</u>	<u>-</u>	<u>(97,732)</u>	<u>1,988,837</u>

13 Total return on investments

	Trust for investment	Unapplied total return	Total endowment
At 1 April 2023	1,550,000	417,820	1,967,820
Movements in reporting period:			
Investment income	-	50,393	50,393
Investment return: realised and unrealised gains/losses	-	122,583	122,583
Less: investment management costs	-	(9,284)	(9,381)
Total	-	163,692	163,595
Unapplied total return allocated to income in the reporting period	-	(116,487)	(116,487)
Net movements in reporting period	-	47,205	47,108
As at 31 March 2024	<u>1,550,000</u>	<u>465,025</u>	<u>2,015,025</u>

14 Transfers

In order to conform with the trust's total return investment policy, a transfer of capital of £17,560 was made from permanent endowment to income in the year, along with £50,393 of investment income received in the year less £1,466 of accrued income. There was a further transfer of £50,000 directly to Kendal Brewery Arts Centre Trust.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2024

..... continued

15 Net assets by fund

	Unrestricted Funds	Endowment Funds	Total Funds 2024	Total Funds 2023
	£	£	£	£
Investments	-	2,013,980	2,013,980	1,968,398
Current assets	21,372	3,351	24,723	25,354
Creditors: Amounts falling due within one year	(2,663)	(2,306)	(4,969)	(4,915)
Net assets	<u>18,709</u>	<u>2,015,025</u>	<u>2,033,734</u>	<u>1,988,837</u>
Prior period				
	Unrestricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Investment	-	1,968,398	1,968,398	2,164,431
Current assets	23,529	1,825	25,354	20,106
Creditors: Amounts falling due within one year	(2,512)	(2,403)	(4,915)	(5,670)
Net assets	<u>21,017</u>	<u>1,967,820</u>	<u>1,988,837</u>	<u>2,178,867</u>

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

England & Wales - Charity number 1065424

Accounts

**The Brewery Arts Centre
Endowment Trust**

Registration number: 1065424

**Annual Report and Financial
Statements**

31 March 2023



The Brewery Arts Centre Endowment Trust

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The Brewery Arts Centre Endowment Trust
Reference and Administrative Details

Charity name	The Brewery Arts Centre Endowment Trust
Charity registration number	1065424
Principal office	1d Low House Business Centre WINDERMERE LA23 3NA
Registered office	1d Low House Business Centre WINDERMERE LA23 3NA
Trustees	P R W Hensman C S Fairclough J M Plumtre H Pring M M Scott
Secretary	S Wiggins
Bankers	Barclays Bank plc 9 Highgate KENDAL LA9 4DF
Accountant	Dodd & Co Limited FIFTEEN Rosehill Montgomery Way Rosehill Estate CARLISLE CA1 2RW
Investment Advisor	Cazenove Capital Management Limited 12 Moorgate LONDON EC2R 6DA

The Brewery Arts Centre Endowment Trust

Trustees' Report for the Year Ended 31 March 2023

The trustees present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of 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).

Structure, governance and management

The Brewery Arts Centre Endowment Trust (BACET) was established by Deed of Trust dated 20 November 1997 which was amended by a Deed of Amendment of Declaration of Trust dated 25 February 2002.

BACET was established as a result of the great generosity of the Francis C. Scott and the Frieda Scott Charitable Trusts. Both trusts made donations totalling £1.550m in total, the purpose of which is, subject to the discretion of the BACET trustees, to generate funds to help defray the running costs of Kendal Brewery Arts Centre Trust (KBACT). The original donation must be maintained and is not available for distribution.

Recruitment and appointment of new trustees

Under the terms of the Deed of Amendment of Declaration of Trust dated 25 February 2002 the trustees of the Francis C. Scott Charitable Trust are entitled to nominate three trustees and the trustees of the Frieda Scott Charitable Trust are entitled to nominate two trustees. Trustees shall hold office for a term of five years from the date of their appointment and shall be eligible for re-appointment.

Organisational structure

The charity does not employ any staff directly; it uses the services of RJB Limited to provide secretarial services. Details of the trustees who served during the year are set out on page 1.

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Induction and training of new trustees

An induction pack is available to any new trustee which includes a copy of the trust deed, a summary of the trust's objectives, a copy of the Charity Commission's guide on the duties of a trustee, details of the investment portfolio and the most recent financial statements.

Objectives and aims

BACET exists to provide financial assistance to the Kendal Brewery Arts Centre Trust Limited (KBACT).

The objective is met by establishing the amount of funding to be provided to KBACT, setting and maintaining a supportive investment policy and distributing an appropriate amount of income arising on the charity's general fund accordingly. The BACET trustees may, however, at their discretion also appropriate capital gains for this purpose.

Public benefit

The trustees confirm that that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives, in planning future activities and setting the grant making policy for the year.

The public benefit is the financial assistance provided to KBACT, itself a registered charity, in order to help it to continue to deliver its public benefit.

Grantmaking policy

Grants are only made to KBACT in accordance with the objectives stated above. The trustees consider that no detriment or harm arises from the grants made.

The Brewery Arts Centre Endowment Trust
Trustees' Report for the Year Ended 31 March 2023

Achievements and performance

The trust's sole beneficiary, KBACT, continued to require support during the year and the trustees approved the maximum maintenance grant they thought was appropriate to support it. During the year, KBACT trustees, after a review of KBACT's funding needs, approached the trust for an additional grant of £100,000 to provide additional working capital and secure its long-term sustainability. The trustees agreed to make a payment of £50,000 immediately and a further £50,000 in 2023/24 subject to the receipt of a satisfactory business plan from KBACT. This was paid from investment income and a transfer of £88,000 from permanent endowment.

Financial review

The trust's support for its beneficiary is reliant on the income from its investments which was £44,196 (2022 - £41,185) and the gains on investments. The net loss on investment assets was £97,732 (2022 - gain of £120,201) and was made up of a gain of £34,397 (2022 - £21,046) on the sale of investments and an unrealised loss of £132,129 (2022 - gain of £99,156) on investments held at the year end.

The fund managers' fees have decreased to £9,806 (2021 - £10,752).

The funding provided to KBACT consisted of a maintenance grant of £66,000 (2022 - £66,000), an additional amount of £8,073 relating to 2022 and £50,000 contribution to future sustainability.

The secretarial fees decreased to £1,000 (2021 - £1,540).

Total funds at the year end decreased from £2,178,867 to £1,988,837 due to market performance and the payment of an additional grant.

Investment policy and performance

The trust's investment assets are managed by external fund managers, Cazenove Capital Management Limited. There were no restrictions on the charity's power to invest and the funds are invested in a portfolio of investment funds.

It is the objective of the trustees to invest the trust funds to produce a distributable amount that, over time, grows, at a minimum, in line with inflation (as measured by CPI). To achieve this, they need to ensure that the real value of the endowment fund is maintained over the longer term.

On 7 January 2021, the trustees made a resolution under section 104(A) of the Charities Act 2011 to adopt a total return on investment approach to the permanent endowment fund. On 1 April 2021, the board identified the value of the gifts of permanent endowment received since the fund was established to be £1,550,000. This set the baseline value of the gift component of the endowment. The difference between the total of endowment funds as at 1 April 2021 and the value of the gift component represented the opening balance of unapplied total return. The power of total return permits the trustees to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income each year. Until this power is exercised, the unapplied total return remains invested as part of the permanent endowment.

In order to decide the level of transfer to income, the trustees sought advice from the charity's Investment Manager, as to the likely investment trends and the maintenance of the real value of the investment fund.

The trustees have adopted the ARC Steady Growth Index (PCI) as the principal benchmark for the performance of the fund. The trustees compare the performance of their Investment Managers with the benchmark over the period and the longer term and keep this under regular review. The portfolio's one-year total return to 31 March 2023 was -3.0% (2022: 7.3%) and the ARC Steady Growth benchmark was -3.3% (2022: 4.6%). Five years total return to 31 March 2023 was 17.7% and the benchmark was 19.4%; in the early years of this period, the trustees adopted a different investment policy which favoured income over total return.

Reserves policy

The trustees need to retain sufficient cash in unrestricted funds to enable regular grant payments to be made to KBACT. Funds are transferred from Permanent Endowment to unrestricted funds in line with the total return policy and together with income received should be adequate to meet these requirements.

The Brewery Arts Centre Endowment Trust
Trustees' Report for the Year Ended 31 March 2023

At 31 March 2023 unrestricted funds were showing a surplus of £21,017 (2022 - £17,126) which the trustees believe is adequate to fund on-going grant payments.

Going concern

The trustees have considered the effect on the charity of recent events. In the year ended 31 March 2023 investment values dropped, potentially relating to the ongoing war in Ukraine and the cost of living crisis which have had a negative impact since the start of 2022. However, with the unapplied total return (excess of the current value of the portfolio over the original value of grants received) standing at £417,840 at 31 March 2023 and with the trustees ability to reduce grant payments to the beneficiary if necessary, the trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Risk management

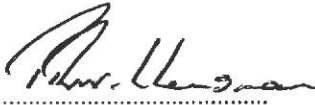
The charity trustees have considered and reviewed the major risks to which the charity is exposed and have established systems and procedures to manage those risks. The trustees consider variability of investment returns on the permanent and expendable endowment funds to constitute the charity's major risk. This risk is managed by the appointment of external fund managers whose performance is regularly monitored by the trustees.

Internal control risks are minimised by the implementation of procedures for authorisation of all transactions. These procedures are periodically reviewed to ensure they continue to meet the needs of the charity.

Future plans

The charity plans to continue the activities outlined above in the forthcoming years subject to the satisfactory performance of its investment portfolio.

Approved by the Trustees on 12 July 2023 and signed on their behalf by:



P R W Hensman
Trustee

The Brewery Arts Centre Endowment Trust
Trustees' Responsibilities in relation to the Financial Statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity 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 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 charity 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 charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection fraud and other irregularities.

**Independent Examiner's Report to the Trustees of
The Brewery Arts Centre Endowment Trust**

I report on the accounts of the charity for the year ended 31 March 2023, which are set out on pages 7 to 15.

Your attention is drawn to the fact that the Charity has prepared the financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has since been withdrawn.

We understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

Respective responsibilities of trustees and examiner

The Charity's trustees 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.

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.

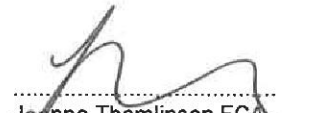
Independent examiner's statement

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 130 of the Charities Act 2011; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of the 2011 Act

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.


.....
Joanne Thomlinson FCA
Dodd & Co Limited
Chartered Accountants

12 July 2023

FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

The Brewery Arts Centre Endowment Trust
Statement of Financial Activities for the Year Ended 31 March 2023

	Note	Unrestricted Funds £	Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
Income					
Investment income	2	-	44,196	44,196	41,185
Total income		-	44,196	44,196	41,185
Expenditure					
Raising funds		-	9,806	9,806	10,752
Charitable activities		126,688	-	126,688	68,984
Total expenditure		126,688	9,806	136,494	79,736
Gains/(losses) on investment assets		-	(97,732)	(97,732)	120,201
Net income/(expenditure)		(126,688)	(63,342)	(190,030)	81,650
Transfers between funds		130,579	(130,579)	-	-
Net movement in funds		3,891	(193,921)	(190,030)	81,650
Reconciliation of funds					
Total funds brought forward		17,126	2,161,741	2,178,867	2,097,217
Total funds carried forward		21,017	1,967,820	1,988,837	2,178,867

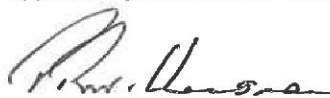
The notes on pages 9 to 15 form an integral part of these financial statements.

The Brewery Arts Centre Endowment Trust
Balance Sheet as at 31 March 2023

	Note	2023		2022	
		£	£	£	£
Fixed assets					
Investments	8		1,968,398		2,164,431
Current assets					
Debtors	9	1,395		-	
Cash at bank and in hand		<u>23,959</u>		<u>20,106</u>	
		25,354		20,106	
Creditors: Amounts falling due within one year	10	<u>(4,915)</u>		<u>(5,670)</u>	
Net current assets			<u>20,439</u>		<u>14,436</u>
Net assets			<u>1,988,837</u>		<u>2,178,867</u>
The funds of the charity:					
Endowment funds			1,967,820		2,161,741
Unrestricted funds					
Unrestricted income funds			<u>21,017</u>		<u>17,126</u>
Total charity funds			<u>1,988,837</u>		<u>2,178,867</u>

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Approved by the Board on 12 July 2023 and signed on its behalf by:



.....
P R W Hensman
Trustee

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2023

1 Accounting policies

Statement of compliance

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Basis of preparation

The charity 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.

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 12.

Income and endowments

Investment income is recognised on a receivable basis.

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.

Costs of raising funds are the investment management costs incurred by the charity,

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.

Grants payable are payments made to third parties in the furtherance of the charitable objectives. Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specific service or output.

Grants payable without performance conditions are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2023

..... continued

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

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.

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.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

2 Investment income

	Unrestricted Funds £	Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
Dividends	-	42,943	42,943	41,181
Interest on cash deposits	-	1,253	1,253	4
	-	44,196	44,196	41,185

All of the investment income in 2022 related to unrestricted funds.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2023

..... continued

3 Expenditure

	Investment management	Grant funding of activities	Total 2023	Total 2022
	£	£	£	£
Direct costs				
Kendal Brewery Arts Centre Trust Limited	-	124,073	124,073	66,000
Portfolio management costs	9,806	-	9,806	10,752
	<u>9,806</u>	<u>124,073</u>	<u>133,879</u>	<u>76,752</u>
Support costs				
Sundry expenses	-	103	103	4
Accountancy fees	-	1,012	1,012	940
Independent examiner's fee	-	500	500	500
Secretarial fees	-	1,000	1,000	1,540
	<u>-</u>	<u>2,615</u>	<u>2,615</u>	<u>2,984</u>
	<u>9,806</u>	<u>126,688</u>	<u>136,494</u>	<u>79,736</u>

Of the expenditure in 2022 £68,984 related to unrestricted funds and £10,752 related to endowment funds.

4 Grants to institutions

Name of Institution	Activity	£
Kendal Brewery Arts Centre Trust Limited	Grant funding of activities	<u>124,073</u>

Commitments

In addition to the grants noted above, the trustees have also authorised grants which are subject to the recipient fulfilling certain conditions. The total amount authorised but not accrued as expenditure at 31 March 2023 was £50,000 (2022: £nil).

5 Governance costs

	2023	2022
	£	£
Accountancy fees	1,012	940
Independent examiner's fee	500	500
Secretarial fees	1,000	1,540
	<u>2,512</u>	<u>2,980</u>

6 Trustees' remuneration and expenses

No trustees received any remuneration or expenses during the year.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2023

..... continued

7 Taxation

The registered charity is exempt from taxation on income and gains.

8 Investments held as fixed assets

	Listed investments £	Cash deposits £	Total £
Market value			
As at 1 April 2022	2,103,335	61,096	2,164,431
Revaluation	(97,732)	-	(97,732)
Additions	593,917	555,618	1,149,535
Disposals	(647,704)	(600,132)	(1,247,836)
As at 31 March 2023	<u>1,951,816</u>	<u>16,582</u>	<u>1,968,398</u>
Net book value			
As at 31 March 2023	<u>1,951,816</u>	<u>16,582</u>	<u>1,968,398</u>
As at 31 March 2022	<u>2,103,335</u>	<u>61,096</u>	<u>2,164,431</u>

All investment assets were held in the UK.

9 Debtors

	2023 £	2022 £
Prepayments and accrued income	<u>1,395</u>	<u>-</u>

10 Creditors: Amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	<u>4,915</u>	<u>5,670</u>

11 Related parties

Controlling entity

The charity is controlled by the trustees.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2023

12 Analysis of funds

	At 1 April 2022	Incoming resources	Resources expended	Transfers	Other recognised gains/losses	At 31 March 2023
	£	£	£	£	£	£
General Funds						
Unrestricted income fund	17,126	-	(126,688)	130,579	-	21,017
Permanent Endowment						
Permanent endowment	2,161,741	44,196	(9,806)	(130,579)	(97,732)	1,967,820
	<u>2,178,867</u>	<u>44,196</u>	<u>(136,494)</u>	<u>-</u>	<u>(97,732)</u>	<u>1,988,837</u>

Permanent endowment funds - This represents funds of £1,550,000 originally received from both The Francis C Scott Charitable Trust and The Frieda Scott Charitable Trust under the Declaration of Trust dated 25 September 1997 ("the Trust Deed"). Under the terms of the Trust Deed any capital appreciation of the original total donation of £1,550,000 can, at the discretion of the trustees, be applied towards the objects of the charity.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2023

..... continued

Prior period

	At 1 April 2021	Incoming resources	Resources expended	Transfers	Other recognised gains/losses	At 31 March 2022
	£	£	£	£	£	£
General Funds						
Unrestricted income fund	6,925	-	(68,984)	79,185	-	17,126
Permanent Endowment						
Permanent endowment	2,090,292	41,185	(10,752)	(79,185)	120,201	2,161,741
	<u>2,097,217</u>	<u>41,185</u>	<u>(79,736)</u>	<u>-</u>	<u>120,201</u>	<u>2,178,867</u>

13 Total return on investments

	Trust for investment	Unapplied total return	Total endowment
At 1 April 2022	1,550,000	611,741	2,161,741
Movements in reporting period:			
Investment income	-	44,196	44,196
Investment return: realised and unrealised gains/losses	-	(97,732)	(97,732)
Less: investment management costs	-	(9,806)	(9,806)
Total	-	(63,342)	(63,342)
Unapplied total return allocated to income in the reporting period	-	(130,579)	(130,579)
Net movements in reporting period	-	(193,921)	(193,901)
As at 31 March 2023	<u>1,550,000</u>	<u>417,820</u>	<u>1,967,820</u>

14 Transfers

In order to conform with the trust's total return investment policy, a transfer of capital of £87,778 was made from permanent endowment to income in the year, along with £44,196 of investment income received in the year less £1,395 of accrued income.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2023

..... continued

15 Net assets by fund

	Unrestricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Investments	-	1,968,398	1,968,398	2,164,431
Current assets	23,529	1,825	25,354	20,106
Creditors: Amounts falling due within one year	(2,512)	(2,403)	(4,915)	(5,670)
Net assets	<u>21,017</u>	<u>1,967,820</u>	<u>1,988,837</u>	<u>2,178,867</u>
Prior period				
	Unrestricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Investment	-	2,164,431	2,164,431	2,081,335
Current assets	20,106	-	20,106	21,168
Creditors: Amounts falling due within one year	(2,980)	(2,690)	(5,670)	(5,286)
Net assets	<u>17,126</u>	<u>2,161,741</u>	<u>2,178,867</u>	<u>2,097,217</u>

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

England & Wales - Charity number 1065424

Accounts

CHARITY COMMISSION

**The Brewery Arts Centre
Endowment Trust**

Registration number: 1065424

**Annual Report and Financial
Statements**

31 March 2022

The logo for dodd & co features a stylized lowercase 'd' on the left, which is composed of three concentric circles. To the right of this symbol, the lowercase letters 'dd&co' are written in a clean, sans-serif font.

The Brewery Arts Centre Endowment Trust

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The Brewery Arts Centre Endowment Trust
Reference and Administrative Details

Charity name	The Brewery Arts Centre Endowment Trust
Charity registration number	1065424
Principal office	1d Low House Business Centre WINDERMERE LA23 3NA
Registered office	1d Low House Business Centre WINDERMERE LA23 3NA
Trustees	P R W Hensman C S Fairclough J M Plumptre H Pring M M Scott
Secretary	S Wiggins
Bankers	Barclays Bank plc 9 Highgate KENDAL LA9 4DF
Accountant	Dodd & Co Limited FIFTEEN Rosehill Montgomery Way Rosehill Estate CARLISLE CA1 2RW
Investment Advisor	Cazenove Capital Management Limited 12 Moorgate LONDON EC2R 6DA

The Brewery Arts Centre Endowment Trust
Trustees' Report for the Year Ended 31 March 2022

The trustees present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of 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).

Structure, governance and management

The Brewery Arts Centre Endowment Trust (BACET) was established by Deed of Trust dated 20 November 1997 which was amended by a Deed of Amendment of Declaration of Trust dated 25 February 2002.

BACET was established as a result of the great generosity of the Francis C. Scott and the Frieda Scott Charitable Trusts. Both trusts made donations totaling £1.550m in total, the purpose of which is, subject to the discretion of the BACET trustees, to generate funds to help defray the running costs of Kendal Brewery Arts Centre Trust (KBACT). The original donation must be maintained and is not available for distribution.

Recruitment and appointment of new trustees

Under the terms of the Deed of Amendment of Declaration of Trust dated 25 February 2002 the trustees of the Francis C. Scott Charitable Trust are entitled to nominate three trustees and the trustees of the Frieda Scott Charitable Trust are entitled to nominate two trustees. Trustees shall hold office for a term of five years from the date of their appointment and shall be eligible for re-appointment.

Organisational structure

The charity does not employ any staff directly; it uses the services of RJB Limited to provide secretarial services. Details of the trustees who served during the year are set out on page 1.

All trustees give of their time freely and no trustee remuneration or expenses were paid in the year. Trustees are required to disclose all relevant interests to the other trustees and in accordance with the charity's policy withdraw from decisions where a conflict of interest arises.

The trustees meet regularly in order, inter alia, to monitor the performance of the investment portfolio and to determine the level of maintenance funding to KBACT. There are no sub committees.

Induction and training of new trustees

An induction pack is available to any new trustee which includes a copy of the trust deed, a summary of the trust's objectives, a copy of the Charity Commission's guide on the duties of a trustee, details of the investment portfolio and the most recent financial statements.

Objectives and aims

BACET exists to provide financial assistance to the Kendal Brewery Arts Centre Trust Limited (KBACT).

The objective is met by establishing the amount of funding to be provided to KBACT, setting and maintaining a supportive investment policy and distributing an appropriate amount of income arising on the charity's general fund accordingly. The BACET trustees may, however, at their discretion also appropriate capital gains for this purpose.

Public benefit

The trustees confirm that that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives, in planning future activities and setting the grant making policy for the year.

The public benefit is the financial assistance provided to KBACT, itself a registered charity, in order to help it to continue to deliver its public benefit.

Grantmaking policy

Grants are only made to KBACT in accordance with the objectives stated above. The trustees consider that no detriment or harm arises from the grants made.

The Brewery Arts Centre Endowment Trust
Trustees' Report for the Year Ended 31 March 2022

Achievements and performance

The trust's sole beneficiary, KBACT, continued to require support during the year and the trustees approved the maximum grant they thought was appropriate to support it.

Financial review

The trust's support for its beneficiary is reliant on the income from its investments which was £41,185 (2021 - £52,707) and the gains on investments. The net gain on investment assets was £120,201 (2021 - £316,775) and was made up of a gain of £21,046 (2021 - £141,846) on the sale of investments and an unrealised gain of £99,155 (2021 - £174,929) on investments held at the year end.

The fund managers' fees have increased to £10,752 (2021 - £9,701).

The funding provided to KBACT consisted of a maintenance grant of £66,000 (2021 - £55,200). This was paid from investment income and a transfer of £38,000 from permanent endowment. In 2021, an additional project grant of £12,000 was paid to KBACT.

The secretarial fees increased to £1,540 (2021 - £988).

Total funds at the year end increased from £2,097,217 to £2,178,867 following the recovery of the stock market after the impact of COVID-19.

Investment policy and performance

The trust's investment assets are managed by external fund managers, Cazenove Capital Management Limited. There were no restrictions on the charity's power to invest and the funds are invested in a portfolio of investment funds.

It is the objective of the trustees to invest the trust funds to produce a distributable amount that, over time, grows, at a minimum, in line with inflation (as measured by CPI). To achieve this, they need to ensure that the real value of the endowment fund is maintained over the longer term.

On 7 January 2021, the trustees made a resolution under section 104(A) of the Charities Act 2011 to adopt a total return on investment approach to the permanent endowment fund. On 1 April 2021, the board identified the value of the gifts of permanent endowment received since the fund was established to be £1,550,000. This set the baseline value of the gift component of the endowment. The difference between the total of endowment funds as at 1 April 2021 and the value of the gift component represented the opening balance of unapplied total return. The power of total return permits the trustees to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income each year. Until this power is exercised, the unapplied total return remains invested as part of the permanent endowment.

In order to decide the level of transfer to income, the trustees sought advice from the charity's Investment Manager, as to the likely investment trends and the maintenance of the real value of the investment fund.

As a result of the change in investment policy, a new benchmark was adopted for performance measurement. The benchmark operated by Cazenove Capital Management Limited for the Fund was constructed as follows:

Index	Benchmark weighting %
FTSE All Share GBP	40
MSCI AC World NR	30
FTSE Government Securities All Stocks TR	15
SONIA GBP	10
IPD Property index Other Balanced TR	5

One year total return to 31 March 2022 was 7.3% (2021: - 20.1%) and the composite benchmark was 9.2% (2021: 20.7%). Five years total return to 31 March 2022 was 4.0% and the composite benchmark was 5.9%.

The trustees compared the performance of their Investment Managers with the benchmark over the period and the longer term and keep this under regular review.

The Brewery Arts Centre Endowment Trust
Trustees' Report for the Year Ended 31 March 2022

Reserves policy

The trustees need to retain sufficient cash in unrestricted funds to enable regular grant payments to be made to KBACT. Funds are transferred from Permanent Endowment to unrestricted funds in line with the total return policy and together with income received should be adequate to meet these requirements.

At 31 March 2022 unrestricted funds were showing a surplus of £17,126 (2021 - £6,925) which the trustees believe is adequate to fund on-going grant payments.

Going concern

The trustees have considered the effect on the charity of recent events. In the year ended 31 March 2022 investment values continued to recover although the war in Ukraine and the cost of living crisis have had a negative impact since the start of 2022. However, with the unapplied total return (excess of the current value of the portfolio over the original value of grants received) standing at £611,741 at 31 March 2022 and with the trustees ability to reduce grant payments to the beneficiary if necessary, the trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Risk management

The charity trustees have considered and reviewed the major risks to which the charity is exposed and have established systems and procedures to manage those risks. The trustees consider variability of investment returns on the permanent and expendable endowment funds to constitute the charity's major risk. This risk is managed by the appointment of external fund managers whose performance is regularly monitored by the trustees.

Internal control risks are minimised by the implementation of procedures for authorisation of all transactions. These procedures are periodically reviewed to ensure they continue to meet the needs of the charity.

Future plans

The charity plans to continue the activities outlined above in the forthcoming years subject to the satisfactory performance of its investment portfolio.

Approved by the Trustees on 13 July 2022 and signed on their behalf by:



P R W Hensman
Trustee

The Brewery Arts Centre Endowment Trust
Trustees' Responsibilities in relation to the Financial Statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity 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 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 charity 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 charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection fraud and other irregularities.

**Independent Examiner's Report to the Trustees of
The Brewery Arts Centre Endowment Trust**

I report on the accounts of the charity for the year ended 31 March 2022, which are set out on pages 7 to 15.

Your attention is drawn to the fact that the Charity has prepared the financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has since been withdrawn.

We understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

Respective responsibilities of trustees and examiner

The Charity's trustees 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.

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 130 of the Charities Act 2011; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of the 2011 Acthave 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.


.....
Joanne Thompson FCA
Dodd & Co Limited
Chartered Accountants

13 July 2022

FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

The Brewery Arts Centre Endowment Trust
Statement of Financial Activities for the Year Ended 31 March 2022

	Note	Unrestricted Funds £	Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
Income					
Investment income	2	-	41,185	41,185	52,707
Total income		-	41,185	41,185	52,707
Expenditure					
Raising funds		-	10,752	10,752	9701
Charitable activities		68,984	-	68,984	69,992
Total expenditure		68,984	10,752	79,736	79,693
Gains/(losses) on investment assets		-	120,201	120,201	316,776
Net income/(expenditure)		(68,984)	150,634	81,650	289,790
Transfers between funds		79,185	(79,185)	-	-
Net movement in funds		10,201	71,449	81,650	289,790
Reconciliation of funds					
Total funds brought forward		6,925	2,090,292	2,097,217	1,807,427
Total funds carried forward		17,126	2,161,741	2,178,867	2,097,217

The Brewery Arts Centre Endowment Trust
Balance Sheet as at 31 March 2022

		2022		2021	
	Note	£	£	£	£
Fixed assets					
Investments	8		2,164,431		2,081,335
Current assets					
Debtors	9	-		2,910	
Cash at bank and in hand		20,106		18,258	
		<u>20,106</u>		<u>21,168</u>	
Creditors: Amounts falling due within one year	10	<u>(5,670)</u>		<u>(5,286)</u>	
Net current assets			<u>14,436</u>		<u>15,882</u>
Net assets			<u>2,178,867</u>		<u>2,097,217</u>
The funds of the charity:					
Endowment funds			2,161,741		2,090,292
Unrestricted funds					
Unrestricted income funds			<u>17,126</u>		<u>6,925</u>
Total charity funds			<u>2,178,867</u>		<u>2,097,217</u>

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Approved by the Board on 13 July 2022 and signed on its behalf by:



P R W Hensman
Trustee

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2022

1 Accounting policies

Statement of compliance

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Basis of preparation

The charity 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.

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 12.

Income and endowments

Investment income is recognised on a receivable basis.

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.

Costs of raising funds are the investment management costs incurred by the charity,

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.

Grants payable are payments made to third parties in the furtherance of the charitable objectives. Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specific service or output.

Grants payable without performance conditions are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2022

..... continued

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.

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.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

2 Investment income

	Unrestricted Funds £	Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
Dividends	-	41,185	41,185	52,707

All of the investment income in 2021 related to unrestricted funds.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2022

..... continued

3 Expenditure

	Investment management	Grant funding of activities	Total 2022	Total 2021
	£	£	£	£
Direct costs				
Kendal Brewery Arts Centre Trust Limited	-	66,000	66,000	67,200
Portfolio management costs	10,752	-	10,752	9,701
	<u>10,752</u>	<u>66,000</u>	<u>76,752</u>	<u>76,901</u>
Support costs				
Sundry expenses	-	4	4	4
Accountancy fees	-	940	940	-
Auditors' remuneration	-	-	-	1,320
Auditors' remuneration - non audit work	-	-	-	480
Independent examiner's fee	-	500	500	-
Consultancy fees	-	1,540	1,540	988
	<u>-</u>	<u>2,984</u>	<u>2,984</u>	<u>2,792</u>
	<u>10,752</u>	<u>68,984</u>	<u>79,736</u>	<u>79,693</u>

Of the expenditure in 2021 £69,992 related to unrestricted funds and £9,701 related to endowment funds.

4 Grants to institutions

Name of Institution	Activity	£
Kendal Brewery Arts Centre Trust Limited	Grant funding of activities	<u>66,000</u>

5 Governance costs

	2022	2021
	£	£
Accountancy fees	940	-
Auditors remuneration	-	1,320
Auditors remuneration - non audit work	-	480
Independent examiner's fee	500	-
Consultancy fees	1,540	988
	<u>2,980</u>	<u>2,788</u>

6 Trustees' remuneration and expenses

No trustees received any remuneration or expenses during the year.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2022

..... continued

7 Taxation

The registered charity is exempt from taxation on income and gains.

8 Investments held as fixed assets

	Listed investments £	Cash deposits £	Total £
Market value			
As at 1 April 2021	1,898,330	183,005	2,081,335
Revaluation	120,201	-	120,201
Additions	778,959	705,611	1,484,570
Disposals	(694,155)	(827,520)	(1,521,675)
As at 31 March 2022	<u>2,103,335</u>	<u>61,096</u>	<u>2,164,431</u>
Net book value			
As at 31 March 2022	<u>2,103,335</u>	<u>61,096</u>	<u>2,164,431</u>
As at 31 March 2021	<u>1,898,330</u>	<u>183,005</u>	<u>2,081,335</u>

All investment assets were held in the UK.

9 Debtors

	2022 £	2021 £
Prepayments and accrued income	<u>-</u>	<u>2,910</u>

10 Creditors: Amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	<u>5,670</u>	<u>5,286</u>

11 Related parties

Controlling entity

The charity is controlled by the trustees.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2022

12 Analysis of funds

	At 1 April 2021	Incoming resources	Resources expended	Transfers	Other recognised gains/losses	At 31 March 2022
	£	£	£	£	£	£
General Funds						
Unrestricted income fund	6,925	-	(68,984)	79,185	-	17,126
Permanent Endowment						
Permanent endowment	<u>2,090,292</u>	<u>41,185</u>	<u>(10,752)</u>	<u>(79,185)</u>	<u>120,201</u>	<u>2,161,741</u>
	<u>2,097,217</u>	<u>41,185</u>	<u>(79,736)</u>	<u>-</u>	<u>120,201</u>	<u>2,178,867</u>

Permanent endowment funds - This represents funds of £1,550,000 originally received from both The Francis C Scott Charitable Trust and The Frieda Scott Charitable Trust under the Declaration of Trust dated 25 September 1997 ("the Trust Deed"). Under the terms of the Trust Deed any capital appreciation of the original total donation of £1,550,000 can, at the discretion of the trustees, be applied towards the objects of the charity.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2022

..... continued

Prior period

	At 1 April 2020	Incoming resources	Resources expended	Transfers	Other recognised gains/losses	At 31 March 2021
	£	£	£	£	£	£
General Funds		-				
Unrestricted income fund	15,689	52,707	(69,992)	8,521	-	6,925
Endowment Funds						
Permanent endowment	1,550,000	-	-	-	-	1,550,000
Expendable endowment	241,738	-	(9,701)	(8,521)	316,776	540,292
	<u>1,791,738</u>	<u>-</u>	<u>(9,701)</u>	<u>(8,521)</u>	<u>316,776</u>	<u>2,090,292</u>
	<u>1,807,427</u>	<u>-</u>	<u>(79,693)</u>	<u>-</u>	<u>316,776</u>	<u>2,097,217</u>

13 Total return on investments

	Trust for investment	Unapplied total return	Total endowment
At 1 April 2021	1,550,000	540,292	2,090,292
Movements in reporting period:			
Investment income	-	41,185	41,185
Investment return: realised and unrealised gains/losses	-	120,201	120,201
Less: investment management costs	-	(10,752)	(10,752)
Total	-	<u>150,634</u>	<u>150,634</u>
Unapplied total return allocated to income in the reporting period	-	(79,185)	(79,185)
Net movements in reporting period	-	<u>71,449</u>	<u>71,449</u>
As at 31 March 2022	<u>1,550,000</u>	<u>611,741</u>	<u>2,161,741</u>

14 Transfers

In order to conform with the trust's total return investment policy, a transfer of capital of £38,000 was made from permanent endowment to income in the year, along with £41,185 of investment income received in the year.

The Brewery Arts Centre Endowment Trust
Notes to the Financial Statements for the Year Ended 31 March 2022

..... continued

15 Net assets by fund

	Unrestricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Investments	-	2,164,431	2,164,431	2,081,335
Current assets	20,106	-	20,106	21,168
Creditors: Amounts falling due within one year	(2,980)	(2,690)	(5,670)	(5,286)
Net assets	<u>17,126</u>	<u>2,161,741</u>	<u>2,178,867</u>	<u>2,097,217</u>

Prior period

	Unrestricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Investment	-	2,081,335	2,081,335	1,774,294
Current assets	9,713	11,455	21,168	38,193
Creditors: Amounts falling due within one year	(2,788)	(2,498)	(5,286)	(5,060)
Net assets	<u>6,925</u>	<u>2,090,292</u>	<u>2,097,217</u>	<u>1,807,427</u>

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

England & Wales - Charity number 1065424

Accounts

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Report of the Trustees and

Financial Statements

for the Year Ended 31 March 2021

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

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THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Reference and Administrative Details for the Year Ended 31 March 2021

Trustees	P R W Hensman C S Fairclough J M Plumptre H Pring M M Scott
Principal address	1a Low House Business Centre Windermere Cumbria LA23 3NA
Registered charity number	1065424
Auditors	Haines Watts Manchester Limited, Statutory Auditor Northern Assurance Buildings 9-21 Princess Street Manchester M2 4DN
Bankers	Barclays Bank plc 9 Highgate Kendal Cumbria LA9 4DF
Investment advisers	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
Secretary:	S Wiggins of RJBM Limited

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Report of the Trustees for the Year Ended 31 March 2021

The trustees present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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).

Objectives and activities

Objectives and aims

The Brewery Arts Centre Endowment Trust (BACET) exists to provide financial assistance to the Kendal Brewery Arts Centre Trust Limited (KBACT).

The objective is met by establishing the amount of funding to be provided to KBACT, setting and maintaining a supportive investment policy and distributing an appropriate amount of income arising on the charity's general fund accordingly. The BACET trustees may, however, at their discretion also appropriate capital gains for this purpose.

Public benefit

The trustees confirm that that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives, in planning future activities and setting the grant making policy for the year.

The public benefit is the financial assistance provided to KBACT, itself a registered charity, in order to help it to continue to deliver its public benefit.

Grantmaking policy

Grants are only made to KBACT in accordance with the objectives stated above.

The trustees consider that no detriment or harm arises from the grants made.

Achievement and performance

Charitable activities

The trust's sole beneficiary, KBACT, continued to require support during the year and the trustees approved the maximum grant they thought was appropriate to support it.

Financial review

Financial position

The trust's support for its beneficiary is reliant on the income from its investments which was £52,707 (2020 - £78,810).

The fund managers' fees have increased to £9,701 (2020 - £8,319). In the previous year there was a refund of £2,193 relating to fees overcharged by a previous fund manager.

The funding provided to KBACT consisted of the normal maintenance grant from unrestricted funds of £55,200 (2020 - £66,000) plus an additional project grant of £12,000 (2020 - £39,055).

The secretarial fees decreased to £988 (2020 - £1,844).

The net gain on investment sales/revaluation was £316,775 (2020 - loss of £283,718) and was made up of a gain of £141,846 (2020 - loss of £20,456) on the sale of investments and an unrealised gain of £174,929 (2020 - loss of £263,262) on investments held at the year-end.

Total funds at the year end increased from £1,807,427 to £2,097,217 following the recovery of the stock market after the impact of COVID-19.

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Report of the Trustees for the Year Ended 31 March 2021

Financial review

Investment policy and performance

The trust's investment assets are managed by external fund managers, Cazenove Capital Management Limited. There were no restrictions on the charity's power to invest and the funds are invested in a portfolio of investment funds.

It is the objective of the trustees to invest the Trust funds to produce a distributable amount that, over time, grows, at a minimum, in line with inflation (as measured by CPI). To achieve this, they need to ensure that the real value of the endowment fund is maintained over the longer term.

During the year the trustees revised their investment policy to remove the constraints on investment cause by the need to generate a relatively large and growing income. The new policy is based on achieving a sustainable total return (income and capital gain) and on distributing part of the capital gain. This will allow the investment managers to invest in funds which, although producing little income, offer good capital growth.

The trustees, having taken advice from the Investment Manager, will determine, from time to time, the amount of the total return that can be distributed without compromising the investment objective. For distribution purposes this change in policy will take effect in the next financial year, beginning 1 April 2021.

As a result of the change in investment policy, a new benchmark was adopted for performance measurement. The benchmark operated by Cazenove Capital Management Limited for the Fund was constructed as follows:

Index	Benchmark weighting %
FTSE All Share/ FTSE World Index (ex UK)	70
FTA Government Securities All Stocks	15
7 Day LIBID	10
IPD Balance PUT	5

Total return for the year was 20.1% (2020: -10.4%); the benchmark return was 20.7% (2020: -8.1%).

The trustees recognise that the return over the year is slightly below that of the benchmark; they believe this is acceptable because the new benchmark and investment policy was only adopted in January 2021.

The trustees compared the performance of their Investment Managers with the benchmark over the period and longer term and kept this under regular review.

Reserves policy

The trustees need to retain sufficient cash in unrestricted funds to enable regular grant payments to be made to KBACT. Under the revised investment policy, they will authorise the transfer of sufficient funds from the Expendable Endowment to the Unrestricted Fund to maintain this position.

The Covid pandemic put KBACT under considerable financial strain during 2020 and the trustees resolved to use their Expendable Endowment to provide additional financial support. Accordingly £8,521 was transferred from Expendable Endowment to Unrestricted Funds and, with the balance of the £21,479 in the Income Invested Fund, was used to pay a special grant to KBACT of £42,000, £12,000 in 2020/21 and £30,000 in 2019/20.

As a result, unrestricted funds (free reserves) at 31 March 2021 were showing a surplus of £6,925 (2020 - £15,689) which the trustees believe is adequate to fund on-going grant payments.

Going concern

The trustees have considered the effect of the Covid-19 crisis on the charity. In the year ended 31 March 2020 there was a significant reduction in the investment values although these have recovered during the year to 31 March 2021. However, income from the fund reduced during the current year; to compensate for this, the trustees reduced the level of grant made to Kendal Brewery Arts Centre Trust. Furthermore, cash could be raised by the selling of investments held in the invested fund, which at the year end was £2,081,335. Based on these assessments and given the measures that could be undertaken to mitigate the current adverse conditions, the trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Report of the Trustees for the Year Ended 31 March 2021

Financial review

Risk management

The charity trustees have considered and reviewed the major risks to which the charity is exposed and have established systems and procedures to manage those risks. The trustees consider variability of investment returns on the permanent and expendable endowment funds to constitute the charity's major risk. This risk is managed by the appointment of external fund managers whose performance is regularly monitored by the trustees.

Internal control risks are minimised by the implementation of procedures for authorisation of all transactions. These procedures are periodically reviewed to ensure they continue to meet the needs of the charity.

Future plans

The charity plans to continue the activities outlined above in the forthcoming years subject to the satisfactory performance of its investment portfolio.

Structure, governance and management

Governing document

The trust was established by Deed of Trust dated 20 November 1997 which was amended by a Deed of Amendment of Declaration of Trust dated 25 February 2002.

BACET was established as a result of the great generosity of the Francis C. Scott and the Frieda Scott Charitable Trusts. Both trusts made donations totalling £1.550m in total, the purpose of which is, subject to the discretion of the BACET trustees, to generate funds to help defray the running costs of KBACT. The original donation must be maintained and is not available for distribution.

Recruitment and appointment of new trustees

Under the terms of the Deed of Amendment of Declaration of Trust dated 25 February 2002 the trustees of the Francis C. Scott Charitable Trust are entitled to nominate three trustees and the trustees of the Frieda Scott Charitable Trust are entitled to nominate two trustees. Trustees shall hold office for a term of five years from the date of their appointment and shall be eligible for re-appointment.

Organisational structure

The charity does not employ any staff directly, it used the services of RJB Limited to provide secretarial services. Details of the trustees who served during the year are set out on page 1.

All trustees give of their time freely and no trustee remuneration or expenses were paid in the year. Trustees are required to disclose all relevant interests to the other trustees and in accordance with the charity's policy withdraw from decisions where a conflict of interest arises.

The trustees meet regularly in order, inter alia, to monitor the performance of the investment portfolio and to determine the level of maintenance funding to KBACT. There are no sub committees.

Induction and training of new trustees

An induction pack is available to any new trustee which includes a copy of the trust deed, a summary of the trust's objectives, a copy of the Charity Commission's guide on the duties of a trustee, details of the investment portfolio and the most recent financial statements.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Report of the Trustees for the Year Ended 31 March 2021

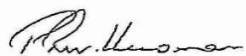
Statement of trustees' responsibilities - continued

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 1 July 2021 and signed on its behalf by:



P R W Hensman - Trustee

Report of the Independent Auditors to the Trustees of The Brewery Arts Centre Endowment Trust

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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

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

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

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Trustees of The Brewery Arts Centre Endowment Trust

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

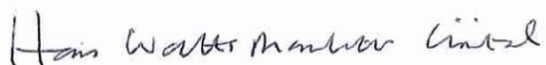
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- identifying and assessing the design and effectiveness of controls that management has in place to prevent and detect fraud;
- identifying and testing journal entries, in particular any journals we considered to be unusual;
- reviewing internal control reports of fund managers to assess reliance;
- performing sample testing on valuations of investments and dividends received to external sources;
- assessing minutes for grant commitments and payments;
- assessing the extent of compliance with applicable laws and regulations

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Haines Watts Manchester Limited, Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Northern Assurance Buildings
9-21 Princess Street
Manchester
M2 4DN

12 July 2021

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Statement of Financial Activities for the Year Ended 31 March 2021

	Notes	Unrestricted funds £	Expendable endowment £	Permanent endowment £	2021 Total funds £	2020 Total funds £
Income and endowments from						
Investment income	2	52,707	-	-	52,707	78,810
Expenditure on						
Raising funds	3	-	9,701	-	9,701	8,319
Charitable activities	4					
Grant funding		67,200	-	-	67,200	108,699
Other		2,792	-	-	2,792	-
Total		69,992	9,701	-	79,693	117,018
Net gains/(losses) on investments		-	316,776	-	316,776	(283,718)
NET INCOME/(EXPENDITURE)		(17,285)	307,075	-	289,790	(321,926)
Transfers between funds	12	8,521	(8,521)	-	-	-
Net movement in funds		(8,764)	298,554	-	289,790	(321,926)
Reconciliation of funds						
Total funds brought forward		15,689	241,738	1,550,000	1,807,427	2,129,353
Total funds carried forward		6,925	540,292	1,550,000	2,097,217	1,807,427

Continuing operations

All income and expenditure has arisen from continuing activities.

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Balance Sheet 31 March 2021

	Notes	Unrestricted funds £	Expendable endowment £	Permanent endowment £	2021 Total funds £	2020 Total funds £
Fixed assets						
Investments	10	-	531,335	1,550,000	2,081,335	1,774,294
Current assets						
Debtors		(11,455)	11,455	-	-	-
Prepayments and accrued income		2,910	-	-	2,910	753
Cash at bank		18,258	-	-	18,258	37,440
		9,713	11,455	-	21,168	38,193
Creditors						
Amounts falling due within one year	11	(2,788)	(2,498)	-	(5,286)	(5,060)
Net current assets		6,925	8,957	-	15,882	33,133
Total assets less current liabilities		6,925	540,292	1,550,000	2,097,217	1,807,427
NET ASSETS		6,925	540,292	1,550,000	2,097,217	1,807,427
Funds	12					
Unrestricted funds:						
General fund					6,925	15,689
Endowment funds:						
Permanent endowment					1,550,000	1,550,000
Expendable endowment					540,292	241,738
					2,090,292	1,791,738
Total funds					2,097,217	1,807,427

The financial statements were approved by the Board of Trustees and authorised for issue on 1 July 2021 and were signed on its behalf by:



P R W Hensman - Trustee

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Notes to the Financial Statements for the Year Ended 31 March 2021

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition - October 2019) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Preparation of financial statements on a going concern basis

The trustees have considered the effect of the Covid-19 crisis on the charity. In the year ended 31 March 2020 there was a significant reduction in the investment values although these have recovered during the year to 31 March 2021. However income from the fund reduced during the current year. To compensate for this, the trustees have reduced the level of grant made to Kendal Brewery Arts Centre Trust. Furthermore cash could be raised by the selling of investments held in the invested fund, which at the year end was £2,081,335. Based on these assessments and given the measures that could be undertaken to mitigate the current adverse conditions, the trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income, it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment manager.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the interest paid or payable by the bank or by the investment manager.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

1. Accounting policies - continued

Expenditure

Maintenance and project funding grants are charged in the year when the offer is conveyed to the recipient. No performance conditions are attached to the award of grants.

Investments

Investments are measured initially at their transaction value and are subsequently measured at their fair value at the balance sheet date using the closing quoted market price. Increases or decreases in the fair value each year are treated as unrealised gains or losses in the Statement of Financial Activities. Realised gains or losses shown in the Statement of Financial Activities represent the difference between the sales proceeds and the fair value at the beginning of the year or the transaction value if purchased during the year.

Fund accounting

General funds are available for use at the discretion of the trustees in furtherance of the general objectives of the trust.

The permanent endowment fund represents funds which the donors have stated are intended to be held as capital. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income.

The expendable endowment fund represents any capital appreciation of the original permanent endowment which, at the trustees' discretion, can be applied towards the objects of the charity.

Financial instruments

The charity's debtors and creditors are financial instruments which qualify as basic. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Investment income

	2021	2020
	£	£
Dividends	52,707	78,752
Interest	-	58
	<u>52,707</u>	<u>78,810</u>

3. Raising funds

Investment management costs

	2021	2020
	£	£
Fund managers' fees	<u>9,701</u>	<u>8,319</u>

The Trust received £nil (2020 - £2,193) as a refund of overcharged fees relating to earlier years. Including total charges in underlying funds, the Total Expense Ratio for the year was 1.34% (2020 - 1.29% excluding the refund received).

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

4. Charitable activities costs

		Grant funding of activities (see note 5) £ 67,200
Grant funding		<u>67,200</u>

5. Grants payable

	2021	2020
	£	£
Grant funding	<u>67,200</u>	<u>105,055</u>

The total grants paid to institutions during the year was as follows:

	2021	2020
	£	£
Kendal Brewery Arts Centre Trust Limited	<u>67,200</u>	<u>105,055</u>

The above includes a project grant of £12,000 (2020 - £30,000) given in the year.

6. Support costs

		Governance costs £ 2,792
Other resources expended		<u>2,792</u>

Support costs, included in the above, are as follows:

Governance costs

	2021	2020
	Other	Total
	resources	activities
	expended	£
	£	£
Auditors' remuneration	1,320	1,320
Auditors' remuneration for non audit work	480	480
Sundries	4	-
Secretarial fees	988	1,844
	<u>2,792</u>	<u>3,644</u>

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

7. Auditors' remuneration

	2021 £	2020 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	1,320	1,320
Auditors' remuneration for non audit work	480	480
	1,800	1,800

8. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

9. Comparatives for the statement of financial activities

	Unrestricted funds £	Expendable endowment £	Permanent endowment £	Total funds £
Income and endowments from				
Investment income	78,810	-	-	78,810
Expenditure on				
Raising funds	90	8,229	-	8,319
Charitable activities				
Grant funding	108,699	-	-	108,699
Total	108,789	8,229	-	117,018
Net gains/(losses) on investments	(4,594)	(279,124)	-	(283,718)
NET INCOME/(EXPENDITURE)	(34,573)	(287,353)	-	(321,926)
Transfers between funds	2,193	(2,193)	-	-
Net movement in funds	(32,380)	(289,546)	-	(321,926)
Reconciliation of funds				
Total funds brought forward	48,069	531,284	1,550,000	2,129,353
Total funds carried forward	15,689	241,738	1,550,000	1,807,427

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

10. Fixed asset investments

	Listed investments £	Cash and settlements pending £	Totals £
Market value			
At 1 April 2020	1,769,304	4,990	1,774,294
Additions	913,173	1,102,532	2,015,705
Disposals	(1,100,923)	(924,517)	(2,025,440)
Revaluations	316,776	-	316,776
	1,898,330	183,005	2,081,335
Net book value			
At 31 March 2021	1,898,330	183,005	2,081,335
At 31 March 2020	1,769,304	4,990	1,774,294

Investments at market value are represented by:

	2021 £	2020 £
Fixed interest securities	236,835	213,418
UK equities	281,768	665,096
Overseas equities	1,082,067	504,049
Multi-asset funds	122,478	209,643
Alternative funds	174,978	176,895
Cash instruments	183,208	5,193
	2,081,334	1,774,294

Material investments:

The trustees consider 5% of the year end market value of the investment portfolio to be material.

	2021 £	2020 £
Charity Equity Income Fund	229,241	189,277
Schroder Asian Income Fund	97,627	98,703
M&G Global Dividend Fund	109,288	188,557
Trojan Investment Funds	122,478	209,643
Schroder Strategic Credit Fund	130,170	160,393
Trojan Income Fund S	52,527	277,559
Charities Property Fund	120,363	123,339
J O Hambro UK Equity Income Fund	-	128,721
JP Morgan US Equity Income Fund	-	101,045
Vanguard S&P	131,418	-

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

10. Fixed asset investments - continued

Historical cost

	2021	2020
	£	£
At beginning of the year	1,845,364	1,919,155
Acquisitions at cost	913,172	118,056
Sales at cost	(1,006,995)	(191,847)
	1,751,541	1,845,364
	1,751,541	1,845,364

Movement in unrealised gains

	2021	2020
	£	£
At beginning of the year	(76,060)	190,259
Less in respect of sales in the year	47,917	(3,057)
Add/(deduct) in respect of increase/(decrease) in market value in the year	174,930	(263,262)
	146,788	(76,060)
	146,788	(76,060)

Sales during the year

	2021	2020
	£	£
Proceeds	1,100,923	174,448
Market value	(959,077)	(194,904)
	141,846	(20,456)
	141,846	(20,456)

11. Creditors: amounts falling due within one year

	2021	2020
	£	£
Accrued expenses	5,286	5,060
	5,286	5,060
	5,286	5,060

12. Movement in funds

	At 1/4/20	Net movement	Transfers between	At
	£	in funds	funds	31/3/21
	£	£	£	£
Unrestricted funds				
General fund	15,689	(17,285)	8,521	6,925
Endowment funds				
Permanent endowment	1,550,000	-	-	1,550,000
Expendable endowment	241,738	307,075	(8,521)	540,292
	1,791,738	307,075	(8,521)	2,090,292
	1,791,738	307,075	(8,521)	2,090,292
TOTAL FUNDS	1,807,427	289,790	-	2,097,217
	1,807,427	289,790	-	2,097,217

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

12. Movement in funds - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	52,707	(69,992)	-	(17,285)
Endowment funds				
Expendable endowment	-	(9,701)	316,776	307,075
TOTAL FUNDS	<u>52,707</u>	<u>(79,693)</u>	<u>316,776</u>	<u>289,790</u>

Comparatives for movement in funds

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
Unrestricted funds				
General fund	21,906	(29,889)	23,672	15,689
Income invested fund	26,163	(4,684)	(21,479)	-
	<u>48,069</u>	<u>(34,573)</u>	<u>2,193</u>	<u>15,689</u>
Endowment funds				
Permanent endowment	1,550,000	-	-	1,550,000
Expendable endowment	531,284	(287,353)	(2,193)	241,738
	<u>2,081,284</u>	<u>(287,353)</u>	<u>(2,193)</u>	<u>1,791,738</u>
TOTAL FUNDS	<u>2,129,353</u>	<u>(321,926)</u>	<u>-</u>	<u>1,807,427</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	78,810	(108,699)	-	(29,889)
Income invested fund	-	(90)	(4,594)	(4,684)
	<u>78,810</u>	<u>(108,789)</u>	<u>(4,594)</u>	<u>(34,573)</u>
Endowment funds				
Expendable endowment	-	(8,229)	(279,124)	(287,353)
TOTAL FUNDS	<u>78,810</u>	<u>(117,018)</u>	<u>(283,718)</u>	<u>(321,926)</u>

Permanent endowment fund

This represents funds of £1,550,000 originally received from both The Francis C Scott Charitable Trust and The Frieda Scott Charitable Trust under the Declaration of Trust dated 25 September 1997 ("the Trust Deed").

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

12. Movement in funds - continued

Expendable endowment

Under the terms of the Trust Deed any capital appreciation of the original total donation of £1,550,000 can, at the discretion of the trustees, be applied towards the objects of the charity.

Income invested fund

The Income invested fund represents surplus income brought forward that has been invested and will be available to fund future project grants. During the prior year the fund balance was transferred to the general fund to support a project grant of £30,000.

Transfers between funds

During the year £8,521 (2020 - £nil) was transferred from the endowment fund to general funds towards the project grant of £12,000.

During the previous year the income invested fund balance of £21,479 was released from the income invested fund to the general fund towards the project grant of £30,000. The fund balance at 31 March 2021 is £nil (2020 - £nil).

The refund of investment management fees of £nil (2020 - £2,193) to the endowment fund has been transferred to the general funds to distribute as income.

13. Related party disclosures

There are no related party transactions.