

Company registration number: 3665797

Charity registration number: 1075786

Lakeland Arts Support Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2021

Lakeland Arts Support Trust

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Lakeland Arts Support Trust

Reference and Administrative Details

Trustees	C T S Batten (Chair) C W N Crewdson C J Pennington E M Rink M M Scott
Charity Registration Number	1075786
Company Registration Number	3665797
Registered Office	The charity is incorporated in England. Abbot Hall Kendal Cumbria LA9 5AL
Independent Examiner	Stables Thompson & Briscoe Chartered Accountants & Statutory Auditor Lowther House Lowther Street Kendal Cumbria LA9 4DX
Solicitors:	JWK 5/7 Skipton Street Morecambe Lancashire LA4 4AW
Bankers	Barclays Bank Plc Kendal 9 Highgate Kendal LA9 4DF

Lakeland Arts Support Trust

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2021.

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	C T S Batten (Chair)
	C W N Crewdson
	C J Pennington (appointed 1 October 2021)
	E M Rink
	M M Scott

C T Hensman resigned as trustee and director on 1 October 2021.

Objectives and activities

Objects and aims

The Charity's objects are the provision of funding for the facilities of Lakeland Arts Trust, so long as it remains a registered charity (No 526980).

The Trust was set up on 11th November 1998 with a restricted gift of £1,250,000 from the Francis C Scott Charitable Trust for the purposes of generating income to provide financial support for the Lakeland Arts Trust at its Abbot Hall site in Kendal.

Objectives, strategies and activities

During the year £46,000 (2020 - £55,000) was transferred to Lakeland Arts for the Abbot Hall site. Lakeland Arts (No. 1153001) operates the Kendal site on behalf of Lakeland Arts Trust.

Public benefit

The Trust generates funds to support Lakeland Arts Trust, charity number 526980. All net income is transferred to support the Abbot Hall site in the year.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Financial review

Policy on reserves

The charity does not hold general reserves as all net income is paid over in accordance with its objectives.

The charity has invested funds from the original gift. These generate the income used to support Lakeland Arts Trust at its Kendal site.

Investment policy and objectives

The investment policy is determined by the Trustees. Evelyn Partners are responsible for implementing the overall policy which is to produce a high level of income consistent with the reasonable expectation of protecting the real value of the portfolio over the long term.

Lakeland Arts Support Trust

Trustees' Report

Structure, governance and management

Nature of governing document

The charity is governed by its Memorandum and Articles when incorporated on 11 November 1998 as amended by special resolutions dated 20 May 1999, 12 July 2006, 14 March 2016 and most recently 17 March 2017.

Recruitment and appointment of trustees

The total number of Trustees at the present time is restricted to five, of which two are appointed by Lakeland Arts and two by the Francis C Scott Charitable Trust. The chairman is recommended by the Francis C Scott Charitable Trust but is independent of both Trusts.

The Trustees normally meet twice each year and review investment performance and if appropriate investment policy, together with the Fund Managers. Furthermore, they are briefed on major developments at Abbot Hall and the wider Lakeland Arts.

Financial instruments

Objectives and policies

The Charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The charity does not use derivative financial instruments.

Cash flow risk

The Charity's activities expose it primarily to the financial risks of changes in investment values and interest rates.

Credit risk

The Charity's principal financial assets are cash at bank and investments.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.


Liquidity risk

Lakeland Arts Support Trust has investments which are managed by Evelyn Partners who are professional advisors and their performance is under constant review.

Small companies provision statement

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

The annual report was approved by the trustees of the charity on 14 September 2022 and signed on its behalf by:


.....
C T S Batten (Chair)
Trustee

Lakeland Arts Support Trust

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Lakeland Arts Support Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations. The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 14 September 2022 and signed on its behalf by:



.....
C T S Batten (Chair)
Trustee

Lakeland Arts Support Trust

Statement of Financial Activities for the Year Ended 31 December 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Total 2021 £	Total 2020 £
Income and Endowments from:				
Investment income	3	<u>65,982</u>	<u>65,982</u>	<u>33,908</u>
Total Income		<u>65,982</u>	<u>65,982</u>	<u>33,908</u>
Expenditure on:				
Raising funds	4	(11,263)	(11,263)	(13,374)
Charitable activities	5	<u>(47,231)</u>	<u>(47,231)</u>	<u>(56,303)</u>
Total Expenditure		(58,494)	(58,494)	(69,677)
Gains/losses on investment assets		<u>104,555</u>	<u>104,555</u>	<u>(19,168)</u>
Net income/(expenditure)		<u>112,043</u>	<u>112,043</u>	<u>(54,937)</u>
Net movement in funds		112,043	112,043	(54,937)
Reconciliation of funds				
Total funds brought forward		<u>1,586,161</u>	<u>1,586,161</u>	<u>1,641,098</u>
Total funds carried forward	11	<u><u>1,698,204</u></u>	<u><u>1,698,204</u></u>	<u><u>1,586,161</u></u>

The notes on pages 8 to 16 form an integral part of these financial statements.

Lakeland Arts Support Trust

Independent Examiner's Report to the trustees of Lakeland Arts Support Trust ("the Company")

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of Lakeland Arts Support Trust are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Lakeland Arts Support Trust as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for 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).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



H Holmes BSc FCA
Chartered Accountants & Statutory Auditor
ICAEW

Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

Date: 16/09/22

Lakeland Arts Support Trust
(Registration number: 3665797)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	9	1,704,268	1,598,664
Current assets			
Cash at bank and in hand		14,513	6,665
Creditors: Amounts falling due within one year	10	<u>(20,577)</u>	<u>(19,168)</u>
Net current liabilities		<u>(6,064)</u>	<u>(12,503)</u>
Net assets		<u>1,698,204</u>	<u>1,586,161</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>1,698,204</u>	<u>1,586,161</u>
Total funds	11	<u>1,698,204</u>	<u>1,586,161</u>

For the financial year ending 31 December 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 6 to 16 were approved by the trustees, and authorised for issue on 14 September 2022 and signed on their behalf by:

The financial statements on pages 6 to 16 were approved by the trustees, and authorised for issue on 14 September 2022 and signed on their behalf by:



 C T S Batten (Chair)
 Trustee

Lakeland Arts Support Trust

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

1 Charity status

The charity is limited by guarantee, incorporated in England, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Abbot Hall
Kendal
Cumbria
LA9 5AL

These financial statements were authorised for issue by the trustees on 14 September 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Lakeland Arts Support Trust 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.

The accounts are presented in sterling and rounded to the nearest £.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

Investment income

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. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Lakeland Arts Support Trust

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

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

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.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

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

Fixed asset investments

Fixed asset investments, other than programme related 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 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.

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.

Lakeland Arts Support Trust

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

Trade creditors

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

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

Fund structure

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

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the income of the fund.

Lakeland Arts Support Trust

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

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

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

Recognition and measurement

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

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

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

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

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Lakeland Arts Support Trust

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

3 Investment income

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Income from dividends;			
Dividends receivable from other listed investments	65,982	65,982	33,889
Interest receivable and similar income;			
Interest receivable on bank deposits	-	-	19
	<u>65,982</u>	<u>65,982</u>	<u>33,908</u>

4 Expenditure on raising funds

a) Investment management costs

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Investment management fees	11,263	11,263	13,374
	<u>11,263</u>	<u>11,263</u>	<u>13,374</u>

5 Expenditure on charitable activities

	Note	Unrestricted General £	Total 2021 £	Total 2020 £
Donation to Lakeland Arts		46,000	46,000	55,000
Governance costs	6	1,231	1,231	1,303
		<u>47,231</u>	<u>47,231</u>	<u>56,303</u>

£Nil (2020 - £Nil) of the above expenditure was attributable to unrestricted funds and £Nil (2020 - £Nil) to restricted funds.

Included in the expenditure analysed above, there are also governance costs of £1,231 (2020 - £1,303) which relate directly to charitable activities. See note 6 for further details.

Lakeland Arts Support Trust

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

6 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Independent examiner fees			
Examination of the financial statements	525	525	525
Other fees paid to examiners	693	693	765
Legal fees	13	13	13
	<u>1,231</u>	<u>1,231</u>	<u>1,303</u>

7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

8 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Lakeland Arts Support Trust

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

9 Fixed asset investments

	2021 £	2020 £
Other investments	<u>1,704,268</u>	<u>1,598,664</u>

Other investments

	Listed investments £	Cash held as part of the investment portfolio £	Total £
Cost or Valuation			
At 1 January 2021	1,536,028	62,636	1,598,664
Revaluation	104,555	-	104,555
Additions	543,384	532,629	1,076,013
Disposals	<u>(520,495)</u>	<u>(554,469)</u>	<u>(1,074,964)</u>
At 31 December 2021	<u>1,663,472</u>	<u>40,796</u>	<u>1,704,268</u>
Net book value			
At 31 December 2021	<u>1,663,472</u>	<u>40,796</u>	<u>1,704,268</u>
At 31 December 2020	<u>1,536,028</u>	<u>62,636</u>	<u>1,598,664</u>

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts owed to Lakeland Arts	16,312	15,081
Other creditors	2,932	2,754
Accruals	<u>1,333</u>	<u>1,333</u>
	<u>20,577</u>	<u>19,168</u>

Lakeland Arts Support Trust

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

11 Funds

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2021 £
Unrestricted funds					
<i>General</i>					
Unrestricted general funds	50,133	65,982	(58,494)	-	57,621
<i>Designated</i>					
Investments	<u>1,536,028</u>	<u>-</u>	<u>-</u>	<u>104,555</u>	<u>1,640,583</u>
Total funds	<u>1,586,161</u>	<u>65,982</u>	<u>(58,494)</u>	<u>104,555</u>	<u>1,698,204</u>

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2020 £
Unrestricted funds						
<i>General</i>						
Unrestricted general funds	(3,589)	33,908	(69,677)	89,491	-	50,133
<i>Designated</i>						
Investments	<u>1,644,687</u>	<u>-</u>	<u>-</u>	<u>(89,491)</u>	<u>(19,168)</u>	<u>1,536,028</u>
Total funds	<u>1,641,098</u>	<u>33,908</u>	<u>(69,677)</u>	<u>-</u>	<u>(19,168)</u>	<u>1,586,161</u>

12 Analysis of net assets between funds

	Unrestricted funds		Total funds at 31 December 2021 £
	General £	Designated £	
Fixed asset investments	63,685	1,640,583	1,704,268
Current assets	14,513	-	14,513
Current liabilities	<u>(20,577)</u>	<u>-</u>	<u>(20,577)</u>
Total net assets	<u>57,621</u>	<u>1,640,583</u>	<u>1,698,204</u>

Lakeland Arts Support Trust

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

	Unrestricted funds		Total funds at
	General	Designated	31 December
	£	£	2020
Fixed asset investments	62,636	1,536,028	1,598,664
Current assets	6,665	-	6,665
Current liabilities	(19,168)	-	(19,168)
Total net assets	<u>50,133</u>	<u>1,536,028</u>	<u>1,586,161</u>

13 Related party transactions

There were no related party transactions in the year.