

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 2022

# **Lakeland Arts Support Trust**

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## **Lakeland Arts Support Trust**

### **Reference and Administrative Details**

<b>Trustees</b>	C T S Batten (Chair) C W N Crewdson A Karwa C J Pennington M M Scott
<b>Charity Registration Number</b>	1075786
<b>Company Registration Number</b>	3665797
<b>Registered Office</b>	The charity is incorporated in England. Abbot Hall Kendal Cumbria LA9 5AL
<b>Independent Examiner</b>	Stables Thompson & Briscoe Chartered Accountants & Statutory Auditor Lowther House Lowther Street Kendal Cumbria LA9 4DX
<b>Solicitors:</b>	JWK 5/7 Skipton Street Morecambe Lancashire LA4 4AW
<b>Bankers</b>	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 2022.

### **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
	A Karwa (appointed 14 September 2022)
	C J Pennington
	M M Scott
	E M Rink (resigned 14 September 2022)

### **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 £48,000 (2021 - £46,000) 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 was 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 manage the portfolio on a total return basis 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 13 September 2023 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 13 September 2023 and signed on its behalf by:

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

## **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 2022.

#### **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 the Company 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:.....

# Lakeland Arts Support Trust

## Statement of Financial Activities for the Year Ended 31 December 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Total 2022 £	Total 2021 £
<b>Income and Endowments from:</b>				
Investment income	3	47,814	47,814	65,982
Total Income		47,814	47,814	65,982
<b>Expenditure on:</b>				
Raising funds	4	(11,343)	(11,343)	(11,263)
Charitable activities	5	(49,171)	(49,171)	(47,231)
Total Expenditure		(60,514)	(60,514)	(58,494)
Gains/losses on investment assets		(133,256)	(133,256)	104,555
Net (expenditure)/income		(145,956)	(145,956)	112,043
Net movement in funds		(145,956)	(145,956)	112,043
<b>Reconciliation of funds</b>				
Total funds brought forward		1,698,204	1,698,204	1,586,161
Total funds carried forward	11	1,552,248	1,552,248	1,698,204

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



**Lakeland Arts Support Trust**  
**(Registration number: 3665797)**  
**Balance Sheet as at 31 December 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	9	1,556,982	1,716,997
<b>Current assets</b>			
Cash at bank and in hand		1,801	1,783
<b>Creditors: Amounts falling due within one year</b>	10	<u>(6,535)</u>	<u>(20,576)</u>
<b>Net current liabilities</b>		<u>(4,734)</u>	<u>(18,793)</u>
<b>Net assets</b>		<u>1,552,248</u>	<u>1,698,204</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>1,552,248</u>	<u>1,698,204</u>
<b>Total funds</b>	11	<u>1,552,248</u>	<u>1,698,204</u>

For the financial year ending 31 December 2022 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 13 September 2023 and signed on their behalf by:

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

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

# **Lakeland Arts Support Trust**

## **Notes to the Financial Statements for the Year Ended 31 December 2022**

### **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 13 September 2023.

### **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.

#### **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 2022**

#### **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 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 2022**

#### **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 2022**

#### **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 2022

### 3 Investment income

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Income from dividends;			
Dividends receivable from other listed investments	47,796	47,796	65,982
Interest receivable and similar income;			
Interest receivable on bank deposits	18	18	-
	<u>47,814</u>	<u>47,814</u>	<u>65,982</u>

### 4 Expenditure on raising funds

#### a) Investment management costs

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Investment management fees	11,343	11,343	11,263
	<u>11,343</u>	<u>11,343</u>	<u>11,263</u>

### 5 Expenditure on charitable activities

	Note	Unrestricted General £	Total 2022 £	Total 2021 £
Donation to Lakeland Arts		48,000	48,000	46,000
Governance costs	6	1,171	1,171	1,231
		<u>49,171</u>	<u>49,171</u>	<u>47,231</u>

Included in the expenditure analysed above, there are also governance costs of £1,171 (2021 - £1,231) 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 2022**

#### **6 Analysis of governance and support costs**

##### **Governance costs**

	<b>Unrestricted funds General £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Independent examiner fees			
Examination of the financial statements	525	525	525
Other fees paid to examiners	633	633	693
Legal fees	13	13	13
	<u>1,171</u>	<u>1,171</u>	<u>1,231</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 2022

### 9 Fixed asset investments

	2022 £	2021 £
Other investments	<u>1,556,982</u>	<u>1,716,997</u>

### Other investments

	Listed investments £	Cash held as part of the investment portfolio £	Total £
<b>Cost or Valuation</b>			
At 1 January 2022	1,663,472	53,525	1,716,997
Revaluation	(133,256)	-	(133,256)
Additions	184,504	228,796	413,300
Disposals	<u>(181,001)</u>	<u>(259,058)</u>	<u>(440,059)</u>
At 31 December 2022	<u>1,533,719</u>	<u>23,263</u>	<u>1,556,982</u>
<b>Net book value</b>			
At 31 December 2022	<u>1,533,719</u>	<u>23,263</u>	<u>1,556,982</u>
At 31 December 2021	<u>1,663,472</u>	<u>53,525</u>	<u>1,716,997</u>

### 10 Creditors: amounts falling due within one year

	2022 £	2021 £
Amounts owed to Lakeland Arts	1,231	16,312
Other creditors	1,171	2,931
Accruals	<u>4,133</u>	<u>1,333</u>
	<u>6,535</u>	<u>20,576</u>



# Lakeland Arts Support Trust

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 11 Funds

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2022 £
<b>Unrestricted funds</b>						
<i>General</i>						
Unrestricted general funds	34,732	47,814	(60,514)	(3,503)	-	18,529
<i>Designated</i>						
Investments	1,663,472	-	-	3,503	(133,256)	1,533,719
<b>Total funds</b>	<b>1,698,204</b>	<b>47,814</b>	<b>(60,514)</b>	<b>-</b>	<b>(133,256)</b>	<b>1,552,248</b>
	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2021 £
<b>Unrestricted funds</b>						
<i>General</i>						
Unrestricted general funds	50,133	65,982	(58,494)	(22,889)	-	34,732
<i>Designated</i>						
Investments	1,536,028	-	-	22,889	104,555	1,663,472
<b>Total funds</b>	<b>1,586,161</b>	<b>65,982</b>	<b>(58,494)</b>	<b>-</b>	<b>104,555</b>	<b>1,698,204</b>

### 12 Analysis of net assets between funds

	Unrestricted funds		Total funds at 31 December 2022 £
	General £	Designated £	
Fixed asset investments	23,263	1,533,719	1,556,982
Current assets	1,801	-	1,801
Current liabilities	(6,535)	-	(6,535)
<b>Total net assets</b>	<b>18,529</b>	<b>1,533,719</b>	<b>1,552,248</b>

## Lakeland Arts Support Trust

### Notes to the Financial Statements for the Year Ended 31 December 2022

	Unrestricted funds		Total funds at 31 December 2021
	General £	Designated £	£
Fixed asset investments	40,796	1,663,472	1,704,268
Current assets	14,513	-	14,513
Current liabilities	(20,577)	-	(20,577)
Total net assets	<u>34,732</u>	<u>1,663,472</u>	<u>1,698,204</u>

### 13 Related party transactions

There were no related party transactions in the year.