

Company number: 3776969

Charity Number: 10776662



Grizedale Arts

Trustee's annual report and financial statements

For the year ended 31 March 2021

Grizedale Arts Reference and administration information

Company number 3776969

Charity number 10776662

Registered office and operational address The Coniston Institute, 15 Yewdale Road, Coniston LA21 8DU

Trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Harriet Warden	Chair	
Alistair Hudson	Treasurer	
Cllr Robin Ashcroft		
John Atkinson		appointed 22/10/2020
Angus Farquhar		appointed 22/10/2020
Jessica Lack		
Prof Charles Gere		resigned 22/10/2020
Richard Greer		resigned 22/10/2020
Sophie Henderson		resigned 22/10/2020

No trustees held title to property belonging to the charity during the reporting period or at the date of approval.

Key management personnel

Adam Sutherland	Executive Director and Company Secretary
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Bankers

Barclays Bank
Market Place
Ambleside
LA22 9BY

Solicitors

BSG Solicitors
3 & 4 Aalborg Place
Lancaster
LA1 1BJ

Independent Examiner

Patrick Morrello ACA
Third Sector Accountancy Limited
Holyoake House
Hanover Street
Manchester
M60 0AS

Grizedale Arts

Trustees' annual report for the year ended 31 March 2021

The trustees present their report together with the financial statements of the charity for the year ended 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities:

Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

Governing document

Grizedale Arts is a company limited by guarantee and governed by its Memorandum and Articles of Association dated 21 April 1999. It is also a registered charity. The company is membership based with each member's liability being limited to £1 in the event of it being wound up. The membership is currently limited to 30.

Appointment of trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Council. Under the requirements of the Memorandum and Articles of Association the members of the Council are elected to serve for a period of three years after which they can be re-elected once at the next Annual General Meeting.

Candidates for vacancies on the Council are sought by the Chairman from recognised and experienced practitioners in the areas indicated by the most recent skills audit. Candidates are invited to Grizedale to see the operation and to meet other Trustees before being put forward for approval at the next AGM.

Induction and training of trustees

Newly appointed Trustees are provided with copies of the Grizedale Management Handbook/Policies and Methodologies, the company's Memorandum and Articles of Association, The Charity Commission's 'Duties of a Charitable Trustee' plus any other documentation considered necessary. In addition, all new Trustees attend for a minimum of two days induction.

Organisation

The company is organised and run by a Council comprising a maximum of eight councillors elected from the membership at large, together with four councillors nominated by specified funding bodies. Officers are drawn from the elected councillors. The current numbers are within the limits permitted by the governing document.

Related Parties

The charity has a very close relationship with the Arts Council England North West and the South Lakeland District Council both of which are entitled to nominate trustees to the Council to enable the company to carry out its charitable objectives. A summary of the grants received from these bodies are recorded in note 3 to the accounts.

Risk Management

A formal risk assessment analysis is reviewed by the Council on a regular basis with a number of management actions having been implemented. The last update and formal review was carried out in January 2021.

Grizedale Arts

Trustees' annual report for the year ended 31 March 2021

Objectives and activities for public benefit

The objectives of the Company, as set out in its governing document, are:

- a) To conserve and enhance the natural beauty and amenity of the countryside for the benefit of the public and to provide and assist in the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with a view to improving the conditions of life.
- b) To advance the education of the public in the appreciation of the arts by providing and assisting in the provision of a wide range of the performing and visual arts and, in particular, of art in the environment.

The company operates a policy of encouraging participation in the visual and performing arts with special reference to the context of the rural community. That policy continues to concentrate on the Visual Arts and the expansion of the Company's educational activities. The Company also operates an equal opportunities policy.

The above objectives and policies are effectively the same as those of the Grizedale Society whose operations were transferred to Grizedale Arts on 1 December 2001.

The Trustees confirm that they have referred to the general guidance on public benefit issued by the Charity Commission when reviewing and planning the charity's aims and objectives.

Achievements and performance

2020/21 has been a challenging year. As the Covid-19 pandemic took hold, the needed lockdowns and travel restrictions had a significant impact on our operations with all planned programme needing to be restructured or postponed. As a small and nimble organisation, we were able to quickly re-purpose our resources to support our local and global communities through this difficult time.

At a local level we repurposed our kitchen spaces and volunteering capacity to provide meals for local self-isolating and vulnerable people. On a national and international level, we utilised digital platforms to increase our participation in remote dialogues, maintaining consistent contact with the marginalised and under-represented communities we continue to work with in a time of need.

Early into lockdown, we made the decision not to furlough any of our staff. We increased our freelance staffs hours when they had other work cancelled. We did not apply for any Arts Council England Covid Emergency Support Grants, nor those from any other grant giving bodies, and instead used our charity reserves to fund an ambitious digital programme of remote research residencies, online visiting days, and commission programme. This provided much needed support for young emerging artists and creative practitioners at a time when most had work cancelled.

Our biggest achievement of the year was the acquisition of The Farmer's Arms. During lockdown, we undertook an extensive viability study which helped us develop an understanding of what the community wanted and needed from the future of this historic and much-loved building, and what would be a viable business strategy for the property's future. We developed a robust business plan and lead a successful fundraising campaign, which, in just 28 days, raised over £600,000 towards the property's purchase and initial renovation programme. This included over £300,000 pledged by our local, national, and international communities in Loan Stock investment and a £300,000 social investment loan from the Architectural Heritage Fund. In early December we provided proof of funds to the estate agent and proceeded with the purchase at £425,000 + VAT. We took possession on 31 March 2021 at a reduced price of £420,000 + VAT.

Programme:

As lockdown and social distancing restrictions halted all in-person programming, we quickly reimagined our planned programme for digital platforms.

Grizedale Arts

Trustees' annual report for the year ended 31 March 2021

With all our regular residential volunteer programmes postponed for the foreseeable future, to continue bringing diverse voices into the development of our programmes, we commissioned 4 podcast programmes by artists Samra Mayanja, Ella Deacy, Juneau Projects and critics The White Pube. Each podcast discussed a topic related to The Farmer's Arms project, examining how we might rework some of the foundations of what we know as culture when building a new institution for the future. These podcasts had over 1,500 listens between them.

At the beginning of lockdown, we commissioned two bodies of research through a virtual residency structure. The first residency, *Useful Craft*, drew from the idea of useful art with duo Kimberley Chandler and Stephen Knott (AKA Tan-dem) reaching out beyond the UK experience to examine how this has transpired throughout history and across the globe. The second, *Outdoor Education: History and Future*, mapped the history of learning from nature, with artist Elizabeth Hudson's research starting from Lawson Park and tracing connections across the globe. Each of the residencies produced digital content to communicate their findings to our wider audience during the lockdown.

To maintain a connection with our audiences we hosted several Lawson Park and Valley Virtual Visiting Days over our Instagram Live channel. Receiving over 19,819 views and interactions from a global audience, each programmed a series of short videos presented by our staff with artists from our national and international networks and local community. Additional longer form video programmes hosted through our Youtube channel received over 1,000 views.

In September 2020 our first Crake Valley residential Architecture School designed and built an outdoor classroom with Paloma Gormley and Summer Islam of Material Cultures and Takeshi Hayatsu of Hayatsu Architects. Hosted under a covid-safe risk assessment, the school was attended by 10 architecture students and recent graduates who gained hands on experience in traditional building techniques (joinery and stone walling) to construct a covid-safe resource for the Crake Valley community. Around the classroom, a new Teaching Garden was developed to meet local demand for education in food-growing, with a school programme launching in early 2021 after lockdown restrictions allowed in person teaching outdoors.

In November, following the development of a comprehensive 3-year plan and 5-year financial forecast, a fundraising campaign was launched to secure the needed capital to purchase The Farmer's Arms. Connecting with potential investors, donors and those interested in learning more about the project and its ambitions, we hosted several Zoom meetings which had 240 attendees including representatives from the Parish, District and County Councils and other stakeholders including South Lakes District Council and the Architectural Heritage Fund.

A historic gateway into both the Crake Valley and the Lake District National Park, alongside our community, we will reimagine and redevelop this much-loved community heritage asset into a creative and cultural hub. This project will be one of our main focuses over the next financial year.

In late 2020 we were able to host several reduced capacity residential volunteer programmes, with just two people joining us at a time. These were successful but the programme sadly had to be postponed once again as lockdown and travel restrictions were reintroduced at the beginning of 2021.

While the purchase of The Farmer's Arms was still in progress, in early 2021 we hosted a series of online workshops over Zoom to give a flavour of the activity people could expect to see in the space once open. With workshops including cookery, baking, gardening and craft, with most selling out in a very short space of time, attended by 89 people from all over the globe.

International Programme:

Although international travel restrictions saw a full postponement of all programmes and schools planned as part of the Dream of Kiwanosato project in Japan, to maintain momentum, Project Manager Motoko Fujita kept in touch with the villagers through letters and email. A series of blogs and online talks from this correspondence formed part of our digital programme. Our team and associate artists also participated in talks programmes in Japan through Zoom, and Motoko

Grizedale Arts

Trustees' annual report for the year ended 31 March 2021

worked remotely with students from a university in Shimonoseki on a research project that connects similar village projects happening in and around Japan.

The Confederacy of Villages European Network's Creative Europe funding was signed off and an extension to the project granted to account for delays caused by international travel restrictions. Project planning continued digitally over Zoom with partner rural arts organisations in Italy, Spain, Sweden and Armenia.

Although a very challenging year, our ability to adjust our programming and be responsive to our communities needs in constantly changing circumstances demonstrates our resilience as an organisation. The challenges of the last year have helped us develop new ways of working that we will be taking forward to help further our audience reach and the ongoing impact of our work.

Financial review

The total funds of the charity at the year end were £1,285,740 (2020: £1,221,520) consisting of £1,256,390 unrestricted funds and £29,350 (2020: £8,259) of restricted funds.

Having due regard for the assets needed to maintain and develop the charity's activities, and to show a more realistic picture of its assets and free reserves, the trustees decided to show the charity's unrestricted funds of £1,256,390 as follows:

General fund - £174,717 - these are the free reserves the charity uses to fund activities in line with its charitable objectives, and to carry out regular repairs to property and facilities needed for its operation.

Designated property assets fund - £881,673 – the properties and other fixed assets are essential for the current and future operations of the charity, and so should be excluded from free reserves/the general fund. Although the net book value of all assets shows as £1,482,908, the trustees must take into consideration the social investment loan and loan stock related to the property assets, and so shows the assets fund net of the loans.

Designated refurbishments fund - £200,000 – these funds are “set aside” to fund the refurbishment costs for the recently purchased Farmer's Arms. It is essentially the balance between the cost of the property and the loans raised. The intention is to have funds available as and when needed for this project, and to be able to refurbish the property as soon as possible.

Unrestricted Funds

The total unrestricted income for the year was £301,709 (2020: £241,479), representing an increase of £60,230 in income mainly due to Covid-19 related grants received from South Lakeland District Council. Unrestricted expenditure for the year was £258,580. (2020: £293,968) generating a surplus of £43,129 for the year (2020: deficit of £52,489).

Restricted Funds

The total restricted income for the year was £36,373 (2020: £29,794). Restricted expenditure for the year was £15,282 (2020: £35,841) generating a surplus of £21,091 for the year (2020: deficit of £6,407).

Investment powers and policy

The Charity is empowered under its governing document to invest monies not required for the immediate use of the Charity in any security permitted by law and has specific powers to deal in and hold property whether purchased or leased.

Grizedale Arts

Trustees' annual report for the year ended 31 March 2021

Policy on reserves

The Charity maintains sufficient reserves to carry out repairs and to fund activities in line with its charitable objectives.

The trustees intend to maintain reserves representing three months normal expenditure to meet unexpected costs. This currently stands at £78,000.

Plans for the future

The Charity plans to continue with its artistic programmes during the year ended 31 March 2022 in collaboration with interested parties.

Statement of Trustees' responsibilities

The charity trustees (who are also directors of Grizedale Arts for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each year which give a true and fair view of the state of the affairs of the charitable company and of its incoming resources and application of resources, including income and expenditure, of the charitable company for that year. In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and then apply these 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;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. 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 the Trustees on 29 October 2021 and signed on their behalf by:



John Atkinson

Trustee

Date signed: 22 / 12 / 2021



Alistair Hudson

Treasurer

Grizedale Arts
Independent examiner's report to the trustees
For the year ended 31 March 2021

I report on the accounts of the charity for the year ended 31 March 2021 set out on pages 8 to 23.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the 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; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities 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.



Patrick Morrello ACA
Third Sector Accountancy Limited
Holyoake House
Hanover Street
Manchester
M60 0AS

Date: 23 / 12 / 2021

Grizedale Arts
Statement of Financial Activities
(including Income and Expenditure account)
for the year ended 31 March 2021

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Income from:							
Donations and legacies	3	232,828	29,300	262,128	209,596	13,990	223,586
Charitable activities	4	53,991	7,073	61,064	31,292	15,804	47,096
Other trading activities	5	14,728	-	14,728	-	-	-
Investments	6	162	-	162	591	-	591
Total income		301,709	36,373	338,082	241,479	29,794	271,273
Expenditure on:							
Raising funds	7	18,971	-	18,971	-	-	-
Charitable activities	8	239,609	15,282	254,891	293,968	35,841	329,809
Total expenditure		258,580	15,282	273,862	293,968	35,841	329,809
Net income/(expenditure) for the year	9	43,129	21,091	64,220	(52,489)	(6,047)	(58,536)
Transfer between funds		-	-	-	(10,804)	10,804	-
Net movement in funds for the year		43,129	21,091	64,220	(63,293)	4,757	(58,536)
Reconciliation of funds							
Total funds brought forward		1,213,261	8,259	1,221,520	1,276,554	3,502	1,280,056
Total funds carried forward		1,256,390	29,350	1,285,740	1,213,261	8,259	1,221,520

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

Grizedale Arts
Company number 3776969
Balance sheet as at 31 March 2021

	Note	2021	2020
		£	£
Fixed assets			
Tangible assets	14	1,482,908	1,052,533
Total fixed assets		1,482,908	1,052,533
Current assets			
Debtors	15	88,733	3,898
Cash at bank and in hand		347,989	177,621
Total current assets		436,722	181,519
Liabilities			
Creditors: amounts falling due in less than one year	16	(32,655)	(12,532)
Net current assets		404,067	168,987
Total assets less current liabilities		1,886,975	1,221,520
Creditors: amounts falling due after more than one year	17	(601,235)	-
Net assets		1,285,740	1,221,520
The funds of the charity:			
Restricted income funds	18	29,350	8,259
Unrestricted income funds	19	1,256,390	1,213,261
Total charity funds		1,285,740	1,221,520

For the year in question, the company was entitled to exemption from an audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts are prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 10 to 23 form part of these accounts.

Approved by the trustees on 22 / 12 / 2021 and signed on their behalf by:


.....
John Atkinson (Trustee)


.....
Alistair Hudson (Treasurer)

Notes to the accounts for the year ended 31 March 2021

1 Accounting policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a Basis of preparation

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

Grizedale Arts meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £ sterling.

b Judgments and estimates

The trustees have made no key judgments which have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

c Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

d Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of a provision of a specified service is deferred until the criteria for income recognition are met.

Notes to the accounts for the year ended 31 March 2021 (continued)

e Interest receivable

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.

f Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of Loan stock arrangement fees and fundraising activities.
- Expenditure on charitable activities includes the costs of operations and projects undertaken to further the purposes of the charity.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h Tangible fixed assets

Individual fixed assets costing £200 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Freehold building and land	0%
Leasehold property	over the remaining lease term
Fittings and equipment	10%
Motor vehicles	25%
Works of art	0% - 20%

Notes to the accounts for the year ended 31 March 2021 (continued)

Tangible fixed assets (continued)

The long leasehold building known as Lawson Park Farmhouse was previously being depreciated over a range of years varying from 42 years to 20 years. During the year the accounting estimate was revised so that this building is now being depreciated over the life of the lease which is 42 years. This meant that in the period there was negative depreciation charge of £11,035 on this building, whereas without the change of estimate the depreciation charge would have been £39,415.

i Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

j Cash at bank and in hand

Cash at bank and cash in hand includes cash and funds held bank current and deposit accounts.

k Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

l Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

m Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity's contribution is restricted to the contributions disclosed in note 9. There were no outstanding contributions at the year end.

2 Legal status of the charity

The charity is a company limited by guarantee registered in England and Wales and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The registered office address is disclosed on page 1.

Grizedale Arts

Notes to the accounts for the year ended 31 March 2021 (continued)

3 Income from donations and legacies

	Unrestricted £	Restricted £	Total 2021 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2020</i> £
Donations	1,494	21,200	22,694	-	-	-
Arts Council England North West	201,334	-	201,334	197,696	-	197,696
Cumbria County Council	10,000	-	10,000	10,000	-	10,000
Craven District Council	-	-	-	-	10,000	10,000
South Lakeland District Council	20,000	-	20,000	-	-	-
Architectural Heritage Fund	-	8,100	8,100	-	-	-
Other grants	-	-	-	1,900	3,990	5,890
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	232,828	29,300	262,128	209,596	13,990	223,586
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Notes to the accounts for the year ended 31 March 2021 (continued)

4 Income from charitable activities

	Unrestricted £	Restricted £	Total 2021 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2020</i> £
Grants:						
EU Co-operation project	-	7,073	7,073	-	-	-
South Lakeland District Council	20,636	-	20,636	-	-	-
Charitable trading:						
Lawson Park accommodation	180	-	180	11,316	350	11,666
The Coniston Institute and Ruskin Museum	-	-	-	8,370	-	8,370
Architecture School	6,000	-	6,000	-	-	-
Other	27,175	-	27,175	11,606	15,454	27,060
Total	53,991	7,073	61,064	31,292	15,804	47,096

5 Income from other trading activities

	Unrestricted £	Restricted £	Total 2021 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2020</i> £
Lawson Park holiday lets	14,728	-	14,728	-	-	-
	14,728	-	14,728	-	-	-

Grizedale Arts

Notes to the accounts for the year ended 31 March 2021 (continued)

6 Investment income

	Unrestricted £	Restricted £	Total 2021 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2020</i> £
Income from bank deposits	162	-	162	591	-	591
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	162	-	162	591	-	591
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

7 Cost of raising funds

	Unrestricted £	Restricted £	2021 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>2020</i> £
Staff costs	15,461	-	15,461	-	-	-
Fundraiser's fees	1,790	-	1,790	-	-	-
Loan stock arrangement fee	552	-	552	-	-	-
Loan stock interest paid	1,168	-	1,168	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	18,971	-	18,971	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the accounts for the year ended 31 March 2021 (continued)

8 Analysis of expenditure on charitable activities

		Total 2021 £	Total 2020 £
Staff costs	Note 9	87,235	81,012
Grants and donations		-	1,322
Artists fees, materials and expenses		17,860	52,924
Venue and equipment hire		762	7,892
Project and programme costs		23,703	-
Professional fees		10,003	28,782
Volunteer expenses		502	2,509
Intern fees and expenses		-	7,847
Marketing		3,268	-
Catering and food supplies		1,448	3,631
Travel and subsistence		284	16,760
Rent and rates		1,811	5,802
Utilities (heat, light and water)		12,157	(5,148)
Repairs, maintenance and cleaning		31,363	28,265
Land and garden maintenance		27,454	29,537
IT support and website costs		8,252	7,535
Telephone and comms		1,087	4,142
Insurance		5,298	5,159
Motor expenses		1,916	3,350
Postage and stationery		2,292	1,538
Sundry expenses		1,920	1,448
Licenses and subscriptions		479	155
Bank charges		569	-
Accountancy fees		8,222	3,780
Depreciation		(11,035)	41,567
Loss on lease surrender		18,041	-
		<hr/>	<hr/>
		254,891	329,809
		<hr/>	<hr/>
Restricted expenditure		15,282	35,841
Unrestricted expenditure		239,609	293,968
		<hr/>	<hr/>
		254,891	329,809
		<hr/>	<hr/>

Notes to the accounts for the year ended 31 March 2021 (continued)

9 Net income/(expenditure) for the year

This is stated after charging/(crediting):	2021	2020
	£	£
Depreciation	(11,035)	41,567
Interest payable	1,168	-
Operating lease rentals:		
Property	1,750	1,750
Accountancy fees (accounts preparation)	1,100	-
Independent examiner's fee	300	600
	<u> </u>	<u> </u>

10 Staff costs

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	95,913	74,753
Social security costs	4,480	4,398
Pension costs	2,303	1,861
	<u> </u>	<u> </u>
	<u>102,696</u>	<u>81,012</u>

No employee has employee benefits in excess of £60,000 (2020: Nil).

The average number of full- and part-time staff employed during the period was 4 (2020: 4).

The key management personnel of the charity comprise the trustees, the Executive Director and the Valley Project Manager. The total employee benefits of the key management personnel of the charity were £83,394 (2020: £54,109). The change in benefits is due to one of the managers who started in November 2019, now having worked the full year.

11 Trustee remuneration and expenses, and related party transactions

Neither the management committee nor any persons connected with them received any remuneration or reimbursed expenses during the year (2020: Nil).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity, including guarantees, during the year (2020: nil).

South Lakeland District Council is considered a related party as major funding provider with the right to appoint a trustee. The trustee representing the South Lakeland District Council is Cllr Robin Ashcroft.

Notes to the accounts for the year ended 31 March 2021 (continued)

12 Government grants

The government grants recognised in the accounts were as follows:

	2021	2020
	£	£
Arts Council England - North West	201,334	197,696
Cumbria County Council	10,000	10,000
Craven District Council	-	10,000
South Lakeland District Council	40,636	-
EU Co-operation project	7,073	-
	<hr/>	<hr/>
	259,043	217,696
	<hr/>	<hr/>

There were no unfulfilled conditions and contingencies attaching to the grants.

13 Corporation tax

The charity is exempt from tax on income and gains falling within Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

Notes to the accounts for the year ended 31 March 2021 (continued)

14 Fixed assets: tangible assets

Cost	Freehold land and buildings £	Leasehold improvements £	Fittings and equipment £	Works of art £	Total £
At 1 April 2020	-	1,470,347	59,017	52,633	1,581,997
Additions	435,941	240	1,200	-	437,381
Disposals	-	(23,080)	(35,572)	-	(58,652)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	435,941	1,447,507	24,645	52,633	1,960,726
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 April 2020	-	439,219	47,873	42,372	529,464
Charge for the year	-	(11,035)	-	-	(11,035)
Disposals	-	(16,183)	(24,428)	-	(40,611)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	-	412,001	23,445	42,372	477,818
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 March 2021	435,941	1,035,506	1,200	10,261	1,482,908
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	-	1,031,128	11,144	10,261	1,052,533
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Secured assets**Leasehold improvements - Lawson Park**

There is a legal charge over the charity's leasehold land and buildings.

Freehold land and buildings - Farmer's Arms Hotel

The loan provided by The Architectural Heritage Fund is secured by way of legal charge over the freehold property known as the Farmer's Arms Hotel, Ulverston, including fixtures and fittings, and plant and machinery.

Notes to the accounts for the year ended 31 March 2021 (continued)

15 Debtors

	2021 £	2020 £
Other debtors	82,928	3,898
Prepayments and accrued income	5,805	-
	<hr/>	<hr/>
	88,733	3,898
	<hr/>	<hr/>

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors and accruals	29,737	12,532
Taxation and social security costs	2,918	-
	<hr/>	<hr/>
	32,655	12,532
	<hr/>	<hr/>

17 Creditors: amounts falling after more than one year

	2021 £	2020 £
The Architectural Heritage Fund, secured social investment loan	293,700	-
Loan stock	307,535	-
	<hr/>	<hr/>
	601,235	-
	<hr/>	<hr/>
Repayable after more than 5 years by instalments	250,000	-
	<hr/>	<hr/>
Repayable after more than 5 years other than by instalments	144,000	-
	<hr/>	<hr/>

Secured social investment loan

The above 20 year social investment loan provided by The Architectural Heritage Fund is secured by way of legal charge over the freehold property known as the Farmer's Arms Hotel, Ulverston, including fixtures and fittings, and plant and machinery.

Notes to the accounts for the year ended 31 March 2021 (continued)

18 Analysis of movements in restricted funds

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
Asia Europe Foundation Grant	890	-	-	-	890
EU Co-operation project	-	7,073	-	-	7,073
Black Shed Project <i>The Farmer's Arms</i> Architectural Heritage Fund	7,369	-	(7,182)	-	187
Donations	-	8,100	(8,100)	-	-
	-	21,200	-	-	21,200
Total	8,259	36,373	(15,282)	-	29,350

Comparative period

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2020 £
<i>All funds</i>	<i>3,502</i>	<i>29,794</i>	<i>(35,841)</i>	<i>10,804</i>	<i>8,259</i>
Total	3,502	29,794	(35,841)	10,804	8,259

**Name of
restricted fund****Description, nature and purposes of the fund**

Asia Europe Foundation Grant	balance of grant remaining from 2018
EU Co-operation project	grant funding for the Confederacy of Villages Project, an exchange programme with four other EU organisations
Black Shed Project	grant received via Craven District Council, for research and development costs for the project as part of our Lawson Park programme
The Farmer's Arms	grants and donations for the Farmer's Arms Hotel, Ulverston, for building and restoration work to create a community hub with facilities for both charitable and commercial activities

Notes to the accounts for the year ended 31 March 2021 (continued)

19 Analysis of movement in unrestricted funds

	April 2020 £	Income £	Expenditure £	Transfers £	March 2021 £
General fund	1,213,261	301,709	(258,580)	(1,081,673)	174,717
Designated property assets fund	-	-	-	881,673	881,673
Designated refurbishment fund	-	-	-	200,000	200,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,213,261	301,709	(258,580)	-	1,256,390
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Comparative period					
	1 April 2019 £	Income £	Expenditure £	Transfers £	March 2020 £
General fund	1,276,554	241,479	(293,968)	(10,804)	1,213,261
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,276,554	241,479	(293,968)	(10,804)	1,213,261
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Name of unrestricted fund**Description, nature and purposes of the fund**

General fund	The free reserves after allowing for all designated funds
Designated property assets fund	The fixed assets are essential for the future operation of the charity and so are excluded from free reserves.
Designated refurbishment fund	This is for refurbishment costs for the newly acquired freehold property, The Farmer's Arms Hotel, to ensure a timely and full use of the property for the charity's activities. This is excluded from free reserves.

Notes to the accounts for the year ended 31 March 2021 (continued)

20 Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total 2021 £
Tangible fixed assets	1,482,908	-	-	1,482,908
Net current assets/(liabilities)	(706,956)	1,081,673	29,350	404,067
Creditors of more than one year	(601,235)	-	-	(601,235)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	174,717	1,081,673	29,350	1,285,740
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Comparative period

	General fund £	Designated funds £	Restricted funds £	Total 2020 £
Tangible fixed assets	1,052,533	-	-	1,052,533
Net current assets/(liabilities)	21,091	-	8,259	29,350
	<hr/>	<hr/>	<hr/>	<hr/>
Total	1,073,624	-	8,259	1,081,883
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

21 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property	
	2021 £	2020 £
Less than one year	1,750	1,750
One to five years	7,000	7,000
Over five years	1,750	3,500
	<hr/>	<hr/>
	10,500	12,250
	<hr/> <hr/>	<hr/> <hr/>