

Company number: 3776969

Charity Number: 10776662



# Grizedale Arts

Trustee's annual report and financial statements

For the year ended 31 March 2022

## 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:

Jessica Lack	Chair	
Alistair Hudson	Treasurer	
Cllr Robin Ashcroft		
John Atkinson		
Gillian Faulding		appointed 29/10/2021
John Millican		appointed 29/10/2021
Angus Farquhar		resigned 29/10/2021
Harriet Warden	Chair	resigned 29/10/2021

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

### 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 2022

The trustees present their report together with the financial statements of the charity for the year ended 31 March 2022 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 and relationships with other organisations

There were no related party transactions apart from a grant received from South Lakeland District Council (SLDC). SLDC have the right to nominate a trustee to the charity's Council. Councillor Robin Ashcroft is representing SLDC as a trustee.

The charity has very close relationships with the Arts Council England, South Lakeland District Council (SLDC) and the Architectural Heritage Fund. A summary of the grants and loans 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 2022.

## Grizedale Arts

### Trustees' annual report for the year ended 31 March 2022

#### 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

This period takes us through the purchase of The Farmer's Arms, its redevelopment and relaunch as a multi-functioning community and arts facility. The site is now a thriving gateway to the Crake Valley and its myriad of facilities and resources are run or initiated by Grizedale Arts.

I would have to categorise this financial year as intense. The Farmer's Arms renovation programme has been a huge workload mostly undertaken by Grizedale Arts staff while its relaunch has ensued a significant change of organisational scope and a series of staffing increases required to run a functional business. Additionally, as COVID lockdown restrictions have eased, we have navigated numerous economic and behavioural changes in our audiences and customer base. Despite these challenges, and the many resulting complexities, remarkable things have been achieved, most notably, the substantial increase in The Farmer's Arms property value which has given confidence to the investors, validation to our efforts and a level of fiscal security for the charity.

We should mention the epic work of Emma Summer negotiating staffing and managerial issues. Tom Phillipson for his extraordinary work on the building and surrounds and Karen Guthrie as a freelancer offering support on design, gardens, and complex administrative areas.

From the programme of artists/managers both Alistair Debling and Francis Lloyd Jones (cook and pub potter respectively) have led the way in demonstrating how a combined role can work for both their businesses and the project. The Farmer's Arms has also provided employment to a wide cross section of local people and a multitude of training and enterprise opportunities.

Highlights of The Farmer's Arms programme include:

- The establishment of woodwork and pottery workshops running a programme of courses and classes.
- The development of new productive gardens and gaining vacant possession of the land to host festivals and fairs, events and recreation.
- The expansion of a new art collection incorporating Grizedale Art's archive and documenting a local cultural history.

## Grizedale Arts

### Trustees' annual report for the year ended 31 March 2022

- Establishment of a residency programme hosting a wide range of artists combining working in the pub with developing their own work.
- The extending of the volunteer programme to include a weeklong residential stay at The Farmer's Arms.
- A programme of talks, films, performances and workshops.
- Hosting of local and international groups including international residential schools.

Lawson Park continues to provide a residency base hosting many volunteers, artists and professional groups. The development of a new productive relationship with the property owners, Forestry England, is in progress. Although there is a much-reduced involvement with the Coniston Institute, we still hold an office in the building and many of the projects we initiated continue to thrive.

The external conditions previously noted (COVID), have also contributed to reduced activity in our international programme, exhibition projects for national and international institutions and the major residential programme in Japan. It is hoped that there will be some return to these ways of working in the next financial year.

Adam Sutherland (Director)

#### Our beneficiaries

As The Farmer's Arms opened to the public, we have seen a significant increase in the number of beneficiaries we are able to engage with. General visitor figures were in the region of 350,000.

Our general audience data shows that residents from across Cumbria, but predominantly from the South Lakeland area including the Barrow peninsula and West Coast communities were one of our main beneficiaries. In addition, as Covid restrictions were lifted, we saw a significant increase in the number of national and international beneficiaries traveling to engage with our events (such as The Farmer's Yarns and Lawson Park Open Days), and many others who chose to stay in the area to engage with our workshops.

In addition, we have expanded our programmes that support early career artists with their professional development and reopened productive partnerships with other rural communities internationally. Through these programmes we have supported 60+ artists and 30+ other creatives which has enabled us to engage more diverse audiences with an increase of around 15% in audiences identifying as non-white British.

#### Financial review

The total funds of the charity at the year-end were £1,180,599 (2021: £1,285,740) consisting of £1,150,721 (2021: £1,256,390) unrestricted funds and £29,878 (2021: £29,350) 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 £1,150,721 as follows:

General fund - £74,744 - 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 - £945,181 – 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 £1,547,283 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 (see Note 19 to the accounts).

## Grizedale Arts

### Trustees' annual report for the year ended 31 March 2022

Designated refurbishments fund – 2021: £200,000 – these funds were “set aside” to ensure funds for the refurbishment costs for the recently purchased Farmer’s Arms during the year. After spending £69,204 in this year and considering ongoing refurbishment work during the next financial year, the trustees decided to keep the balance of £130,796 as designated.

#### **Unrestricted Funds**

The total unrestricted income for the year was £354,444 (2021: £301,709), representing an increase of £52,735. Unrestricted expenditure for the year was £488,738 (2021: £258,580) generating a deficit of £134,294 for the year (2021: a surplus of £43,129).

#### **Restricted Funds**

The total restricted income for the year was £31,809 (2021: £36,373). Restricted expenditure for the year was £2,656 (2021: £15,282) generating a surplus of £29,153 for the year (2021: £21,091).

#### **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 2023 in collaboration with interested parties.

**Grizedale Arts**  
**Trustees' annual report for the year ended 31 March 2022**

**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 9 December 2022 and signed on their behalf by:



Jessica Lack

Chair

Date signed: 30 / 12 / 2022



Alistair Hudson

Treasurer

Date signed: 30 / 12 / 2022

Grizedale Arts  
Independent examiner's report to the trustees  
For the year ended 31 March 2022

I report on the accounts of the charity for the year ended 31 March 2022 set out on pages 7 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. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICAEW.

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: 30 / 12 / 2022



Grizedale Arts  
Statement of Financial Activities  
(including Income and Expenditure account)  
for the year ended 31 March 2022

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
<b>Income from:</b>							
Donations and legacies	3	221,610	31,809	253,419	232,828	29,300	262,128
Charitable activities	4	45,968	-	45,968	53,991	7,073	61,064
Other trading activities	5	86,834	-	86,834	14,728	-	14,728
Investments	6	32	-	32	162	-	162
<b>Total income</b>		<b>354,444</b>	<b>31,809</b>	<b>386,253</b>	<b>301,709</b>	<b>36,373</b>	<b>338,082</b>
<b>Expenditure on:</b>							
Raising funds	7	92,064	-	92,064	18,971	-	18,971
Charitable activities	8	396,674	2,656	399,330	239,609	15,282	254,891
<b>Total expenditure</b>		<b>488,738</b>	<b>2,656</b>	<b>491,394</b>	<b>258,580</b>	<b>15,282</b>	<b>273,862</b>
<b>Net income/(expenditure) for the year</b>	9	<b>(134,294)</b>	<b>29,153</b>	<b>(105,141)</b>	<b>43,129</b>	<b>21,091</b>	<b>64,220</b>
Transfer between funds		28,625	(28,625)	-	-	-	-
<b>Net movement in funds for the year</b>		<b>(105,669)</b>	<b>528</b>	<b>(105,141)</b>	<b>43,129</b>	<b>21,091</b>	<b>64,220</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		1,256,390	29,350	1,285,740	1,213,261	8,259	1,221,520
<b>Total funds carried forward</b>		<b>1,150,721</b>	<b>29,878</b>	<b>1,180,599</b>	<b>1,256,390</b>	<b>29,350</b>	<b>1,285,740</b>

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 2022

	Note	2022	2021
		£	£
<b>Fixed assets</b>			
Tangible assets	14	1,547,283	1,482,908
<b>Total fixed assets</b>		<b>1,547,283</b>	<b>1,482,908</b>
<b>Current assets</b>			
Debtors	15	66,552	88,733
Cash at bank and in hand		210,168	347,989
<b>Total current assets</b>		<b>276,720</b>	<b>436,722</b>
<b>Liabilities</b>			
Creditors: amounts falling due in less than one year	16	(41,303)	(32,655)
<b>Net current assets</b>		<b>235,417</b>	<b>404,067</b>
<b>Total assets less current liabilities</b>		<b>1,782,700</b>	<b>1,886,975</b>
Creditors: amounts falling due after more than one year	17	(602,101)	(601,235)
<b>Net assets</b>		<b>1,180,599</b>	<b>1,285,740</b>
<b>The funds of the charity:</b>			
Restricted income funds	18	29,878	29,350
Unrestricted income funds	19	1,150,721	1,256,390
<b>Total charity funds</b>		<b>1,180,599</b>	<b>1,285,740</b>

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 9 to 23 form part of these accounts.

Approved by the trustees on 30 / 12 / 2022 and signed on their behalf by:



John Atkinson (Trustee)



Alistair Hudson (Trustee/Treasurer)

Notes to the accounts for the year ended 31 March 2022

**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 2022 (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, loan interest 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 2022 (continued)

**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 10. 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 2022 (continued)

### 3 Income from donations and legacies

	Unrestricted £	Restricted £	Total 2022 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2021</i> £
Donations	3,723	-	3,723	1,494	21,200	22,694
Arts Council England North West	201,334	-	201,334	201,334	-	201,334
Cumbria County Council	-	7,500	7,500	10,000	-	10,000
Craven District Council	-	-	-	-	-	-
South Lakeland District Council	16,553	-	16,553	20,000	-	20,000
Architectural Heritage Fund	-	-	-	-	8,100	8,100
The Prince's Countryside Fund	-	12,170	12,170	-	-	-
Other grants	-	12,139	12,139	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	221,610	31,809	253,419	232,828	29,300	262,128
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Grizedale Arts

Notes to the accounts for the year ended 31 March 2022 (continued)

**4 Income from charitable activities**

	Unrestricted £	Restricted £	Total 2022 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2021</i> £
<b>Grants:</b>						
EU Co-operation project	-	-	-	-	7,073	7,073
South Lakeland District Council	-	-	-	20,636	-	20,636
<b>Charitable trading:</b>						
Programme income	20,562	-	20,562	-	-	-
Programme catering	891	-	891	-	-	-
Programme accommodation rental	9,618	-	9,618	180	-	180
Shop sales	13,967	-	13,967	-	-	-
Architecture School	-	-	-	6,000	-	6,000
Other	930	-	930	27,175	-	27,175
<b>Total</b>	<b>45,968</b>	<b>-</b>	<b>45,968</b>	<b>53,991</b>	<b>7,073</b>	<b>61,064</b>

**5 Income from other trading activities**

	Unrestricted £	Restricted £	Total 2022 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2021</i> £
Holiday lets	35,895	-	35,895	14,728	-	14,728
Pub and café catering income	50,639	-	50,639	-	-	-
Shop sales	300	-	300	-	-	-
	<b>86,834</b>	<b>-</b>	<b>86,834</b>	<b>14,728</b>	<b>-</b>	<b>14,728</b>

Grizedale Arts

Notes to the accounts for the year ended 31 March 2022 (continued)

**6 Investment income**

	Unrestricted £	Restricted £	Total 2022 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2021</i> £
Income from bank deposits	32	-	32	162	-	162
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	32	-	32	162	-	162
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**7 Cost of raising funds**

	Unrestricted £	Restricted £	Total 2022 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2021</i> £
Staff costs	20,919	-	20,919	15,461	-	15,461
Fundraiser's fees	2,300	-	2,300	1,790	-	1,790
Charity shop costs	9,742	-	9,742	-	-	-
Cost of good sold	16,195	-	16,195	-	-	-
Catering supplies	13,624	-	13,624			
Land and building maintenance	4,925	-	4,925			
Office/Admin overheads	5,902	-	5,902			
Sundry other costs	1,243	-	1,243	-	-	-
Loan stock and loan interest paid	17,214	-	17,214	1,720	-	1,720
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	92,064	-	92,064	18,971	-	18,971
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>



## Notes to the accounts for the year ended 31 March 2022 (continued)

**8 Analysis of expenditure on charitable activities**

		Total 2022 £	Total 2021 £
Staff costs	<b>Note 10</b>	145,064	87,235
Training and other staff costs		1,123	-
Artists fees, materials and expenses		25,506	17,860
Venue and equipment hire		-	762
Project and programme costs		-	23,703
Professional fees		29,467	10,003
Volunteer expenses		1,792	502
Intern fees and expenses		-	-
Marketing		8,410	3,268
Catering and food supplies		3,628	1,448
Goods purchased for resale		6,721	-
Travel and subsistence		2,546	284
Rent and rates		4,790	1,811
Utilities (heat, light and water)		27,054	12,157
Repairs, maintenance and cleaning		56,641	31,363
Land and garden maintenance		-	27,454
Equipment <£500		3,581	-
IT support and website costs		3,884	8,252
Telephone and comms		2,529	1,087
Insurance		19,375	5,298
Motor expenses		375	1,916
Postage and stationery		1,047	2,292
Sundry expenses		(1,713)	1,920
Licenses and subscriptions		419	479
Bank charges		1,463	569
Loan stock interest payments		5,213	-
Accountancy fees		3,005	8,222
Depreciation		47,410	(11,035)
Loss on lease surrender		-	18,041
		<hr/>	<hr/>
		399,330	254,891
		<hr/>	<hr/>
Restricted expenditure		2,656	15,282
Unrestricted expenditure		396,674	239,609
		<hr/>	<hr/>
		399,330	254,891
		<hr/>	<hr/>

## Notes to the accounts for the year ended 31 March 2022 (continued)

**9 Net income/(expenditure) for the year**

This is stated after charging/(crediting):	2022	2021
	£	£
Depreciation	47,410	(11,035)
Interest payable	21,560	1,168
Operating lease rentals:		
Property	1,750	1,750
Accountancy fees (accounts preparation)	1,700	1,100
Independent examiner's fee	300	300
	<u>          </u>	<u>          </u>

**10 Staff costs**

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	151,043	95,913
Social security costs	11,994	4,480
Pension costs	2,946	2,303
	<u>          </u>	<u>          </u>
	165,983	102,696
	<u>          </u>	<u>          </u>

No employee has employee benefits in excess of £60,000 (2021: Nil).

The average number of full- and part-time staff employed during the period was 7 (2021: 4).

The average full time equivalent number of staff employed during the period was 5 (2021: not stated).

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 £81,030 (2021: £83,394).

**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 (2021: 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 (2021: 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.

During the year the charity set up Farmers Arms (Grizedale) Limited, a company limited by guarantee, registered number 03776969. The subsidiary is wholly owned by the charity and was financially assisted during its set up period with an interest free loan of £22,759.

## Notes to the accounts for the year ended 31 March 2022 (continued)

**12 Government grants**

The government grants recognised in the accounts were as follows:

	2022 £	2021 £
Arts Council England - North West	201,334	201,334
Cumbria County Council	7,500	10,000
Department of Work and Pensions	714	-
South Lakeland District Council	16,553	40,636
EU Co-operation project	-	7,073
	<hr/>	<hr/>
	226,101	259,043
	<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 2022 (continued)

**14 Fixed assets: tangible assets**

<b>Cost</b>	Freehold land and buildings £	Leasehold improvements £	Fittings and equipment £	Works of art £	Total £
At 1 April 2021	435,941	1,447,507	24,645	52,633	1,960,726
Additions	98,179	-	13,606	-	111,785
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	534,120	1,447,507	38,251	52,633	2,072,511
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 1 April 2021	-	412,001	23,445	42,372	477,818
Charge for the year	8,760	37,042	1,608	-	47,410
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	8,760	449,043	25,053	42,372	525,228
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 31 March 2022	525,360	998,464	13,198	10,261	1,547,283
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	435,941	1,035,506	1,200	10,261	1,482,908
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**Secured assets****Leasehold improvements - Lawson Park**

There is a legal charge over the charity's leasehold land and buildings in favour of the Arts Council England who grant funded renovation work on the property.

**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.

**15 Debtors**

	2022 £	2021 £
Trade debtors	24,891	-
Other debtors	3,419	82,928
Prepayments and accrued income	15,483	5,805
amount owed by subsidiary trading company	22,759	-
	<hr/>	<hr/>
	66,552	88,733
	<hr/>	<hr/>

## Notes to the accounts for the year ended 31 March 2022 (continued)

**16 Creditors: amounts falling due within one year**

	2022 £	2021 £
Trade creditors	17,893	-
Other creditors and accruals	18,459	29,737
Taxation and social security costs	4,951	2,918
	<hr/>	<hr/>
	41,303	32,655
	<hr/>	<hr/>

**17 Creditors: amounts falling after more than one year**

	2022 £	2021 £
The Architectural Heritage Fund, secured social investment loan	294,015	293,700
Loan stock	308,086	307,535
	<hr/>	<hr/>
	602,101	601,235
	<hr/>	<hr/>
Repayable after more than 5 years by instalments	265,530	250,000
	<hr/>	<hr/>
Repayable after more than 5 years other than by instalments	133,000	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 2022 (continued)

**18 Analysis of movements in restricted funds**

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Asia Europe					
Foundation Grant	890	-	(890)	-	-
EU Co-operation					
project	7,073	-	-	-	7,073
Black Shed Project	187	-	(187)	-	-
Cumbria County Council	-	6,000	-	-	6,000
DWP	-	714	(714)	-	-
School For Social					
Entrepreneurs	-	5,500	(865)	-	4,635
<u>The Farmer's Arms</u>					
The Prince's					
Countryside Fund	-	12,170	-	-	12,170
Various grants	-	7,425	-	(7,425)	-
Donations	21,200	-	-	(21,200)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	29,350	31,809	(2,656)	(28,625)	29,878
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**Reasons for transfers to unrestricted funds**

The various grants and donations for Farmer's Arms were restricted to supporting renovation work at Farmer's Arms. The renovation costs were capitalised and so these restricted funds have been moved to unrestricted funds.

**Comparative period**

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
All funds	8,259	36,373	(15,282)	-	29,350
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	8,259	36,373	(15,282)	-	29,350
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

## Notes to the accounts for the year ended 31 March 2022 (continued)

**Note 18 continued**

<b>Name of restricted fund</b>	<b>Description, nature and purposes of the fund</b>
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
Cumbria County Council	grant for Children and Young Persons' Listening and Action Project
DWP	Access To Work grant
School For Social Entrepreneurs	grant towards professional staff development
The Farmer's Arms	various 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
The Prince's Countryside Fund	for operating programmes at Farmer's Arms

**19 Analysis of movement in unrestricted funds**

	Balance at 1 £	Income £	Expenditure £	Transfers £	As at 31 £
General fund	174,717	290,936	(488,738)	97,829	74,744
Designated property assets fund	881,673	-	-	63,508	945,181
Designated refurbishment fund	200,000	-	-	(69,204)	130,796
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,256,390	290,936	(488,738)	92,133	1,150,721
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

## Notes to the accounts for the year ended 31 March 2022 (continued)

## Note 19 continued

**Comparative period**

	<i>Balance at £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers £</i>	<i>As at 31 £</i>
<i>General fund</i>	1,213,261	301,709	(258,580)	(1,081,673)	174,717
<i>Designated property assets fund</i>	-	-	-	881,673	881,673
<i>Designated refurbishment fund</i>	-	-	-	200,000	200,000
	<u>1,213,261</u>	<u>301,709</u>	<u>(258,580)</u>	<u>-</u>	<u>1,256,390</u>

**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.

**20 Analysis of net assets between funds**

	<i>General fund £</i>	<i>Designated funds £</i>	<i>Restricted funds £</i>	<i>Total 2022 £</i>
Tangible fixed assets	1,547,283	-	-	1,547,283
Net current assets/(liabilities)	(870,438)	1,075,977	29,878	235,417
Creditors of more than one year	(602,101)	-	-	(602,101)
Total	<u>74,744</u>	<u>1,075,977</u>	<u>29,878</u>	<u>1,180,599</u>

**Comparative period**

	<i>General fund £</i>	<i>Designated funds £</i>	<i>Restricted funds £</i>	<i>Total 2021 £</i>
<i>Tangible fixed assets</i>	1,482,908	-	-	1,482,908
<i>Net current assets/(liabilities)</i>	(1,081,145)	1,081,673	29,350	29,878
<i>Total</i>	<u>401,763</u>	<u>1,081,673</u>	<u>29,350</u>	<u>1,512,786</u>



## Notes to the accounts for the year ended 31 March 2022 (continued)

**21 Financial instruments**

Financial instruments measured at amortised cost comprise the loan financing provided by The Architectural Heritage Fund to the charity.

	2022 £	2021 £
Loan payable falling due within one year	-	-
Loan payable falling due in more than one year but in	34,470	50,000
Loan payable falling due after five years	265,530	250,000
	<hr/>	<hr/>
	300,000	300,000
	<hr/> <hr/>	<hr/> <hr/>

The loan financing is in the form of a secured loan with a fixed interest rate above the Bank of England base rate.

**22 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	
	2022 £	2021 £
Less than one year	1,750	1,750
One to five years	7,000	7,000
Over five years	-	1,750
	<hr/>	<hr/>
	8,750	10,500
	<hr/> <hr/>	<hr/> <hr/>