

REGISTERED COMPANY NUMBER: 03776969 (England and Wales)
REGISTERED CHARITY NUMBER: 1077662

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
FOR
GRIZEDALE ARTS**

J F Hornby & Co
Chartered Accountants
The Tower
Daltongate Business Centre
Daltongate
Ulverston
Cumbria
LA12 7AJ

GRIZEDALE ARTS

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	Page
Report of the Trustees	1 to 4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7 to 8
Notes to the Financial Statements	9 to 19

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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.

Public benefit

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.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The main focus on the year was around establishing a working pattern for the Farmer's Arms programme. A combination of talks, exhibitions, residencies and classes and workshops.

The highlights included the building of the Fermentation barn as an off grid food store and fermentation building. The project was completed through a series of residential workshops led by both local and international craftspeople and was funded through a combination of both UK and international sources. The project won the Architects Journal Best small project of the year.

Other highlights included the various festivals that were hosted at the Farmers Arms and Lawson Park including Social Clay and a 3 day celebration of Social and community action and the Celebrations around the Coronation.

Lawson Park continued to offer its residential volunteer weeks helping to manage and develop the gardens, the collections and small scale building works. Lawson Park also hosted many guests working in the arts including a writers retreat and held 2 open weekends for the gardens and buildings.

Staffing saw some changes in personnel much of it related to the trading arm, Farmer's Arms Ltd. This business continued to develop and find its feet offering valuable support to the events programme and developing a broad customer base that naturally followed through into the GA programme. We offered a series of artist residencies within the pub business and hosted several related events.

The Farmers Arms also saw the development of the Grizedale Arts collections throughout the pub, being art and design related to rural culture, as well as highlighting works from the Grizedale Arts historic archive collection. The building also supported the Grizedale Arts honest shop selling works from the classes and workshops alongside products designed and made by artists. The gardens at the Farmers Arms were further improved and developed, hosting 2 courses running throughout the year.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

FINANCIAL REVIEW

Financial position

The total funds of the charity at the year-end were £964,699 (2023: £1,059,606) consisting of £941,306 (2023: £1,040,471) unrestricted funds and £23,393 (2023: £19,135) 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 as follows:

General fund - £76,892 (2023: £127,323)

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 - £864,414 (2023: £913,148)

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 £1,462,907 (2023: £1,513,693) 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).

Amounts due from subsidiary company Farmers Arms Limited - The trustees have made the significant judgement that a loan made to their subsidiary can be repaid. The loan amount as at year end was £104,318 (2023: £71,065). There is some uncertainty about the charitable company's ability to continue as a going concern in connection with the loan made to its subsidiary. There is a serious concern whether the subsidiary is able to repay the loan which would have a significant effect on the charitable company's accounts.

Reserves policy

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

The trustees intend to rebuild reserves representing three months normal expenditure to meet unexpected costs or a temporary fall in income. This should be £145,000 in line with current monthly expenditure. The Charity is currently below its reserves target having free reserves of £76,892 (2023: £126,323) as at the year end.

FUTURE PLANS

The Charity plans to continue with its artistic programmes during the year ended 31 March 2025 in collaboration with interested parties.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company is incorporated under the Companies Act 1985 as a company limited by guarantee and not having any share capital, its trustees being the directors and is governed by the Memorandum and Articles of Association. 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.

Recruitment and appointment of new 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 Chair 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.

Organisational structure

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.

Responsibility for day-to-day management is delegated under authority by the board of trustees to the Executive Director.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new 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.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

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 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03776969 (England and Wales)

Registered Charity number

1077662

Registered office

Farmers Arms
Lowick Green
Ulverston
LA12 8DT

Trustees

Ms M P Durran (appointed 29.7.23)
Ms G M Faulding
Mr A J Hudson Treasurer
Mr S J Hunt
Ms J F N Lack Chair
Ms H Stalker (appointed 29.7.23)
Ms A J C Sutton (appointed 29.7.23)

Company Secretary

Mr A D P Sutherland

Independent Examiner

J F Hornby & Co
Chartered Accountants
The Tower
Daltongate Business Centre
Daltongate
Ulverston
Cumbria
LA12 7AJ

Solicitors

BSG Solicitors
3 & 4 Aalborg Place
Lancaster
LA1 1BJ

Key Management Personnel

Adam Sutherland (Executive Director)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

Approved by order of the board of trustees on 21 January 2025 and signed on its behalf by:

Ms J F N Lack - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF GRIZEDALE ARTS

Independent examiner's report to the trustees of Grizedale Arts ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2024.

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

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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 the Company 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.

However, in my opinion, attention should be drawn to the following to enable a proper understanding of the accounts to be reached. During the year the charity made a loan to its subsidiary, a limited company, Farmers Arms (Grizedale) Limited, which amounted to £104,318 as at year end. There is a serious concern whether the subsidiary will be able to repay this loan. This would have a significant effect on the charitable company's accounts, and on its ability to continue to meet its debts as they fall due.

Paul Hornby FCA

J F Hornby & Co
Chartered Accountants
The Tower
Daltongate Business Centre
Daltongate
Ulverston
Cumbria
LA12 7AJ

21 January 2025

GRIZEDALE ARTS

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	Unrestricted funds £	Restricted funds £	31.3.24 Total funds £	31.3.23 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	245,781	-	245,781	275,167
Charitable activities	6				
Art, cultural and heritage activities		70,383	38,197	108,580	92,354
Other trading activities	4	21,707	-	21,707	70,187
Investment income	5	27,483	-	27,483	27,013
Total		<u>365,354</u>	<u>38,197</u>	<u>403,551</u>	<u>464,721</u>
EXPENDITURE ON					
Raising funds	7	5,540	1	5,541	56,857
Charitable activities	8				
Art, cultural and heritage activities		<u>462,441</u>	<u>30,476</u>	<u>492,917</u>	<u>528,857</u>
Total		<u>467,981</u>	<u>30,477</u>	<u>498,458</u>	<u>585,714</u>
NET INCOME/(EXPENDITURE)		(102,627)	7,720	(94,907)	(120,993)
Transfers between funds	21	<u>3,462</u>	<u>(3,462)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(99,165)	4,258	(94,907)	(120,993)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,040,471</u>	<u>19,135</u>	<u>1,059,606</u>	<u>1,180,599</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>941,306</u></u>	<u><u>23,393</u></u>	<u><u>964,699</u></u>	<u><u>1,059,606</u></u>

The notes form part of these financial statements

GRIZEDALE ARTS (REGISTERED NUMBER: 03776969)

**BALANCE SHEET
31 MARCH 2024**

	Notes	Unrestricted funds £	Restricted funds £	31.3.24 Total funds £	31.3.23 Total funds £
FIXED ASSETS					
Tangible assets	15	1,462,907	-	1,462,907	1,513,693
CURRENT ASSETS					
Debtors	16	129,498	-	129,498	96,047
Cash at bank		-	23,393	23,393	112,327
		<u>129,498</u>	<u>23,393</u>	<u>152,891</u>	<u>208,374</u>
CREDITORS					
Amounts falling due within one year	17	(59,941)	-	(59,941)	(62,287)
NET CURRENT ASSETS		<u>69,557</u>	<u>23,393</u>	<u>92,950</u>	<u>146,087</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,532,464	23,393	1,555,857	1,659,780
CREDITORS					
Amounts falling due after more than one year	18	(591,158)	-	(591,158)	(600,174)
NET ASSETS		<u>941,306</u>	<u>23,393</u>	<u>964,699</u>	<u>1,059,606</u>
FUNDS	21				
Unrestricted funds				941,306	1,040,471
Restricted funds				23,393	19,135
TOTAL FUNDS				<u>964,699</u>	<u>1,059,606</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2024.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2024 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

BALANCE SHEET - continued
31 MARCH 2024

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 21 January 2025 and were signed on its behalf by:

Ms J F N Lack - Trustee

GRIZEDALE ARTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

The charity is a company limited by guarantee and 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.

Under the terms of the social investment loans, loan stock can be requested to be returned after a period of 3 years which is from April 2024 for the majority of the loan stock. A small proportion of investors have requested their stock be repaid after the year end and the trustees anticipate that the majority of the loan stock will be held for at least 5 years. For this reason the financial statements have been prepared on a going concern basis as the trustees consider that the charity will be able to meet all its debts as they fall due for a period of at least 12 months from the date that the accounts are approved.

Preparation of consolidated financial statements

The financial statements contain information about Grizedale Arts as an individual company and do not contain consolidated financial information as the parent of a group. The charity is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Income

Income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government grants and other grants, whether 'capital' or 'revenue' by nature, is recognised as income in the Statement of Financial Activities once the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that the income will be received and the amount can be measured reliably.

Where income is received in advance of entitlement of receipt, its recognition is deferred and is included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income is the amount derived from the provision of goods and services and is stated net of VAT.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

GRIZEDALE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Freehold property	- 2% on cost
Long leasehold	- 2% on cost
Fixtures and fittings	- at varying rates on cost

Tangible fixed assets costing £500 or more are capitalised and recognised once future economic benefits are probable and the cost or value of the asset can be measured reliably.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. the aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Other debtors includes £104,318 (2023: £71,065) recoverable from the trading subsidiary, The Farmers Arms (Grizedale) Ltd.

The trading subsidiary was set up to run The Farmer's Arms pub and cafe, Lowick Green, which forms part of the land and buildings at Lowick Green. The intention was that the company would contribute additional income to the charity as well as offering a community space. Various changes to the operation of the pub and cafe have been made during the last three years with the aim of increasing profitability. From November 2024, the pub operations were licenced out to another organisation in return for rental payments. This was not successful and ceased in early January 2025. Other income streams for the pub and cafe are being explored to repay the amounts owed to the charity.

GRIZEDALE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

3. DONATIONS AND LEGACIES

	31.3.24	31.3.23
	£	£
Donations	15,799	333
Grants	229,982	274,834
	<u>245,781</u>	<u>275,167</u>

Grants received, included in the above, are as follows:

	31.3.24	31.3.23
	£	£
Arts Council England North West	201,334	201,334
South Lakeland and District Council	-	60,000
Japan House London	-	4,000
Other grants	28,648	9,500
	<u>229,982</u>	<u>274,834</u>

4. OTHER TRADING ACTIVITIES

	31.3.24	31.3.23
	£	£
Holiday lets	26,162	17,132
Room and facility income	(5,728)	35,967
Other trading income	1,273	17,088
	<u>21,707</u>	<u>70,187</u>

5. INVESTMENT INCOME

	31.3.24	31.3.23
	£	£
Rents received	24,000	24,000
Interest receivable	3,483	3,013
	<u>27,483</u>	<u>27,013</u>

GRIZEDALE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

6. INCOME FROM CHARITABLE ACTIVITIES

	31.3.24 Art, cultural and heritage activities £	31.3.23 Total activities £
Programme income	38,192	42,087
Other income	32,191	38,097
Grants	38,197	12,170
	<u>108,580</u>	<u>92,354</u>

Grants received, included in the above, are as follows:

	31.3.24 £	31.3.23 £
Other grants	2,750	12,170
National Lottery Community Fund	9,950	-
Cumbria Community Foundation		
	9,284	-
Lake District Foundation	1,713	-
Baywind Energy	6,000	-
Sasakawa Foundation	4,500	-
Daiwa Foundation	4,000	-
	<u>38,197</u>	<u>12,170</u>

7. RAISING FUNDS

Raising donations and legacies

	31.3.24 £	31.3.23 £
Staff costs	-	4,823
Utility costs recharged	(9,261)	31,622
Fundraisers fees	-	4,867
Interest payable and similar charges	14,802	15,545
	<u>5,541</u>	<u>56,857</u>

GRIZEDALE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 9) £	Support costs £	Totals £
Art, cultural and heritage activities	<u>203,834</u>	<u>3,000</u>	<u>286,083</u>	<u>492,917</u>

9. GRANTS PAYABLE

	31.3.24 £	31.3.23 £
Art, cultural and heritage activities	<u>3,000</u>	<u>9,849</u>

The charity made a grant to its subsidiary company, Farmers Arms (Grizedale) limited, for hosting charitable activities in the furtherance of the charity objectives.

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.24 £	31.3.23 £
Depreciation - owned assets	50,786	50,971
Other operating leases	<u>5,096</u>	<u>12,997</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2023.

12. STAFF COSTS

The average monthly number of employees during the year was as follows:

	31.3.24 6	31.3.23 7
Staff	<u>6</u>	<u>7</u>

No employees received emoluments in excess of £60,000.

Key management personnel remuneration in the year amounted to £26,335 (2023: £46,163)

GRIZEDALE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	266,667	8,500	275,167
Charitable activities			
Art, cultural and heritage activities	80,184	12,170	92,354
Other trading activities	70,187	-	70,187
Investment income	27,013	-	27,013
Total	<u>444,051</u>	<u>20,670</u>	<u>464,721</u>
EXPENDITURE ON			
Raising funds	56,857	-	56,857
Charitable activities			
Art, cultural and heritage activities	<u>497,444</u>	<u>31,413</u>	<u>528,857</u>
Total	<u>554,301</u>	<u>31,413</u>	<u>585,714</u>
NET INCOME/(EXPENDITURE)	(110,250)	(10,743)	(120,993)
RECONCILIATION OF FUNDS			
Total funds brought forward	1,150,721	29,878	1,180,599
TOTAL FUNDS CARRIED FORWARD	<u>1,040,471</u>	<u>19,135</u>	<u>1,059,606</u>

14. INDEPENDENT EXAMINER

The financial statements include the Independent Examiner's fee of £2,750 (2023: £1,850) which covers both the preparation of the financial statements and the Independent Examiners fee payable to JF Hornby & Co.

Additional services relating to book-keeping, payroll and management reporting were provided by Third Sector Accountancy Limited, the Independent Examiner for the financial statements for the year ended 31 March 2023 amounting to £18,400 (2023: £14,079).

JF Hornby & Co the Independent Examiner for the year ended 31 March 2024 was not appointed until after 31 March 2024 and no fees for other services have been charged in the year.

GRIZEDALE ARTS

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

15. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST					
At 1 April 2023 and 31 March 2024	544,660	1,451,482	41,117	52,633	2,089,892
DEPRECIATION					
At 1 April 2023	19,442	485,919	28,466	42,372	576,199
Charge for year	10,683	36,287	3,816	-	50,786
At 31 March 2024	30,125	522,206	32,282	42,372	626,985
NET BOOK VALUE					
At 31 March 2024	514,535	929,276	8,835	10,261	1,462,907
At 31 March 2023	525,218	965,563	12,651	10,261	1,513,693

The freehold land and buildings are situated at The Farmer's Arms, Lowick Green, Ulverston and are provided as security for the loan from The Architectural Heritage Fund.

A portion of the freehold land and buildings is rented out. The fair value of the investment property component cannot be measured reliably and the whole property is therefore accounted for as property within tangible fixed assets.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24 £	31.3.23 £
Trade debtors	16,515	18,016
Amounts owed by group undertakings	104,318	71,065
Other debtors	-	1,695
Prepayments and accrued income	8,665	5,271
	<u>129,498</u>	<u>96,047</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24 £	31.3.23 £
Bank loans and overdrafts (see note 19)	3,331	-
Other loans (see note 19)	16,000	2,795
Trade creditors	16,730	34,355
Social security and other taxes	969	15,435
VAT	15,756	-
Other creditors	4,405	7,852
Accrued expenses	2,750	1,850
	<u>59,941</u>	<u>62,287</u>

GRIZEDALE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.24	31.3.23
	£	£
Other loans (see note 19)	<u>591,158</u>	<u>600,174</u>

19. LOANS

An analysis of the maturity of loans is given below:

	31.3.24	31.3.23
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	3,331	-
Other loans	<u>16,000</u>	<u>2,795</u>
	<u>19,331</u>	<u>2,795</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>184,500</u>	<u>96,639</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>86,000</u>	<u>148,124</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans more 5yrs instal	209,658	241,411
Repayable otherwise than by instalments:		
Other loans more 5yrs non-inst	<u>111,000</u>	<u>114,000</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.24	31.3.23
	£	£
Architectural Heritage Loan	<u>289,658</u>	<u>294,330</u>

The 20 year Architectural Heritage Loan advanced in March 2021 is secured on land and buildings at The Farmer's Arms, Lowick Green, Ulverston at a rate of 4.75% above the prevailing Bank of England Base Rate.

GRIZEDALE ARTS

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

21. MOVEMENT IN FUNDS

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	127,323	(102,626)	52,195	76,892
Designated property asset fund	913,148	(1)	(48,733)	864,414
	<u>1,040,471</u>	<u>(102,627)</u>	<u>3,462</u>	<u>941,306</u>
Restricted funds				
Community, Arts & Cultural	10,000	1,424	(3,462)	7,962
Core funding	9,135	-	-	9,135
Land & Buildings	-	6,296	-	6,296
	<u>19,135</u>	<u>7,720</u>	<u>(3,462)</u>	<u>23,393</u>
TOTAL FUNDS	<u>1,059,606</u>	<u>(94,907)</u>	<u>-</u>	<u>964,699</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	365,354	(467,980)	(102,626)
Designated property asset fund	-	(1)	(1)
	<u>365,354</u>	<u>(467,981)</u>	<u>(102,627)</u>
Restricted funds			
Community, Arts & Cultural	18,450	(17,026)	1,424
Land & Buildings	19,747	(13,451)	6,296
	<u>38,197</u>	<u>(30,477)</u>	<u>7,720</u>
TOTAL FUNDS	<u>403,551</u>	<u>(498,458)</u>	<u>(94,907)</u>

GRIZEDALE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	74,744	(110,250)	162,458	126,952
Designated property asset fund	945,181	-	(31,662)	913,519
Designated refurbishment fund	130,796	-	(130,796)	-
	<u>1,150,721</u>	<u>(110,250)</u>	<u>-</u>	<u>1,040,471</u>
Restricted funds				
Community, Arts & Cultural	25,243	(15,243)	-	10,000
Core funding	4,635	4,500	-	9,135
	<u>29,878</u>	<u>(10,743)</u>	<u>-</u>	<u>19,135</u>
TOTAL FUNDS	<u><u>1,180,599</u></u>	<u><u>(120,993)</u></u>	<u><u>-</u></u>	<u><u>1,059,606</u></u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	444,051	(554,301)	(110,250)
Restricted funds			
Community, Arts & Cultural	16,170	(31,413)	(15,243)
Core funding	4,500	-	4,500
	<u>20,670</u>	<u>(31,413)</u>	<u>(10,743)</u>
TOTAL FUNDS	<u><u>464,721</u></u>	<u><u>(585,714)</u></u>	<u><u>(120,993)</u></u>

Further details regarding the restricted funds are:

COMMUNITY, ARTS AND CULTURAL FUNDS

Coronation Chicken - design and build of a chicken house and the provision of chickens to supply eggs to The Farmer's Arms kitchen

Refugee - to support individuals to engage in skills development workshops

EU Co-operation Project - grant funding for the Confederacy of Village Project; an exchange programme with four other EU organisations

Children and Young Persons Listening and Action project - funding from Cumbria County Council

The Prince's Countryside Fund - funding the operating of programmes at The Farmer's Arms

Fermentation Barn - funding from Japan House, Sasakawa Foundation and Daiwa Foundation for the design and construction of a fermentation barn and cold store

LAND AND BUILDING FUNDS

GRIZEDALE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

21. MOVEMENT IN FUNDS - continued

Car Park - 2 year project to improve the biodiversity and attractiveness of the planting of the garden areas, curtilage and neglected car park at The Farmer's Arms

Heating & Fire Alarm - support for the renewal of The Farmer's Arms outdated and very inefficient heating system.

CORE FUNDING

School for Social Entrepreneurs - grant towards professional staff development

Further details regarding the designated funds are:

DESIGNATED REFURBISHMENT FUND

Refurbishment of the free hold property, The Farmer's Arms, to ensure a timely full use of the property for the charities activities. These funds were fully spent by 31 March 2023.

DESIGNATED PROPERTY ASSET FUND

The fixed assets are essential for the future operation of the charity and funds have been set aside to represent their current carrying value less any outstanding loan balances.

22. RELATED PARTY DISCLOSURES

South Lakeland District Council had the right to nominate a trustee to the charity's council. the previous trustee resigned on 23 March 2023 and following restructure of the local council Westmorland and Furness Council do not have a similar appointee available and as such currently have no representative on the board.

The trading subsidiary, Farmers Arms (Grizedale) Limited, is a company limited by guarantee and registered in England and Wales, running the cafe and public house operations of the Farmer's Arms, Lowick Green. The intention is that the subsidiary will generate income that can be donated to the charity to support the charitable activities. At the year end the subsidiary owed the charity £104,318 (2023: £71,065) and during the year the subsidiary paid rent of £24,000 (2023: £24,000) and utility costs of £11,815 (2023: £10,543). The subsidiary received grant funding of £3,000 (2023: £9,849) for hosting charitable events.

At the year end the net liabilities of the subsidiary were £106,143 (2023: £97,850) and it had received in the year income of £331,580 (2023: £228,273) and reported an operating deficit of £2,554 (2023: £78,026).

A member of the key management personnel lives in the property at Lawson Park and made contributions of £2,400 (2023: £2,400) towards the running costs of the property for the year.