

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 2025
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 2025

	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 20

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

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 2025. 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.

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

The year saw the consolidation of a new working model with an arts focus for the Farmer's Arms (FA) with Grizedale arts (GA) running an extensive programme of courses and classes at both FA and Lawson Park. The programme of volunteers continued with 5 week long residencies for 4 artists at both the pub and Lawson Park. We hosted another successful residency with Venture arts which saw a supported artist using the workshops whilst staying in the loft with support workers. The organisation also hosted several week long workshops with international student groups from Switzerland and Norway.

3 artists residencies of 1 month were also hosted at FA, including Mandisa Warlingham, Daniela Natale, Choon Yuan Wang. The Polemic gallery at FA hosted exhibitions by Carole Romaya and an group exhibition focused on historic caricature and political satire. The FA maintained its successful talks and music programme through the winter months and all year respectively.

The regular programme of open days, festivals and fairs continued to be popular and creatively successful, with ongoing arts projects happening at both sites. The black shed project got underway on site after several years in planning and development and a series of residential workshops supported the building and learning around the foundations and structure of the building.

Agreed a heritage project with Architectural Heritage Fund for 2025/26.

A programme of work was agreed with Factum Foundation for the refurbishment of the Merz barn and a volunteer programme commenced bringing renewed interest in the volunteer placements as well as offering opportunities for local people.

The redevelopment of the Common Barn (private developer) commenced and the international residency it will support advertised, this programme will be managed by GA.

The Fermentation barn built in 2023 won the Dezeen best small project of the year and was shortlisted for 2 further awards

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

ACHIEVEMENTS AND PERFORMANCE

Staffing

There continued to be a quick turnover of staff at FA as expected, and an extensive period of sick leave for Tom Philipson. The role of workshop manager was ended with a redundancy payment to Tom. The workshops were restructured to support up to 6 independent crafts people renting the space. There was a complaint levelled at the organisation by a consortium of people and the board put in place an organisational review led by independent consultant Adnovar which resulted in an acknowledgement of areas for improvement and an action plan to initiate changes - the board positions were advertised and a largely new board agreed for the AGM meeting in January.

The post of deputy director was advertised and initially taken up by Amy Botfield who for personal reasons resigned after just 3 days. The post was then offered to Maria Percival who took up the post in early 2025 resigning in October 2025. This post has now been reconsidered and is advertised with interviews in February, the new post is director of the Farmers Arms.

FINANCIAL REVIEW

Financial position

The total funds of the charity at the year-end were £1,039,965 (2024: £964,699, 2023: £1,059,606) consisting of £966,953 (2024: £941,306, 2023: £1,040,471) unrestricted funds and £73,012 (2024: £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 - £87,343 (2024: £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 - £879,610 (2024: £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 £1,426,768 (2024: £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 £111,742, (2024: £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.

The ambition of the organisation over the year was to reduce staffing costs and create a stable FA able to repay the the cross charge to GA. This was largely achieved but will be a continuing payment scheme for the next 2 years.

There were several loan stock investors that required early repayment which we were able to accommodate.

Principal funding sources

The arts council continue to be our principle funder with Westmorland council continuing to provide core and project funding. Adam Sutherland (GA director) won the Ampersand Award of 150k towards the ambitious programme over the next 2 years.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

FINANCIAL REVIEW

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 £87,343 (2024: £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 2026 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.

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

Registered office

Farmers Arms
Lowick Green
Ulverston
LA12 8DT

Trustees

Ms M P Durran (resigned 27.3.25)
Ms G M Faulding (resigned 21.3.25)
Mr A J Hudson Treasurer
Mr S J Hunt
Ms J F N Lack Chair (resigned 13.10.25)
Ms H Stalker (resigned 22.9.25)
Ms A J C Sutton (resigned 26.3.25)
K J Shaw (appointed 21.10.25)
S C Staton (appointed 24.6.25)

Company Secretary

Mr A D P Sutherland

Independent Examiner

Mr P Hornby FCA
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)

Approved by order of the board of trustees on 22 December 2025 and signed on its behalf by:

Mr S J Hunt - 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 2025.

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 £111,742 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.

Mr P Hornby FCA

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

22 December 2025

GRIZEDALE ARTS

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	Unrestricted funds £	Restricted funds £	31.3.25 Total funds £	31.3.24 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	268,952	20,000	288,952	245,777
Charitable activities	6				
Art, cultural and heritage activities		68,863	44,868	113,731	108,580
Other trading activities	4	36,103	-	36,103	21,707
Investment income	5	30,598	-	30,598	27,483
Total		<u>404,516</u>	<u>64,868</u>	<u>469,384</u>	<u>403,547</u>
EXPENDITURE ON					
Raising funds	7	6,582	-	6,582	5,537
Charitable activities	8				
Art, cultural and heritage activities		<u>372,826</u>	<u>14,710</u>	<u>387,536</u>	<u>492,917</u>
Total		<u>379,408</u>	<u>14,710</u>	<u>394,118</u>	<u>498,454</u>
NET INCOME/(EXPENDITURE)		25,108	50,158	75,266	(94,907)
Transfers between funds	21	<u>539</u>	<u>(539)</u>	<u>-</u>	<u>-</u>
Net movement in funds		25,647	49,619	75,266	(94,907)
RECONCILIATION OF FUNDS					
Total funds brought forward		941,306	23,393	964,699	1,059,606
TOTAL FUNDS CARRIED FORWARD		<u><u>966,953</u></u>	<u><u>73,012</u></u>	<u><u>1,039,965</u></u>	<u><u>964,699</u></u>

The notes form part of these financial statements

GRIZEDALE ARTS (REGISTERED NUMBER: 03776969)

**BALANCE SHEET
31 MARCH 2025**

	Notes	Unrestricted funds £	Restricted funds £	31.3.25 Total funds £	31.3.24 Total funds £
FIXED ASSETS					
Tangible assets	15	1,426,768	-	1,426,768	1,462,907
CURRENT ASSETS					
Debtors	16	122,231	-	122,231	129,498
Cash at bank		-	73,012	73,012	23,393
		<u>122,231</u>	<u>73,012</u>	<u>195,243</u>	<u>152,891</u>
CREDITORS					
Amounts falling due within one year	17	(180,388)	-	(180,388)	(59,941)
NET CURRENT ASSETS		<u>(58,157)</u>	<u>73,012</u>	<u>14,855</u>	<u>92,950</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,368,611	73,012	1,441,623	1,555,857
CREDITORS					
Amounts falling due after more than one year	18	(401,658)	-	(401,658)	(591,158)
NET ASSETS		<u>966,953</u>	<u>73,012</u>	<u>1,039,965</u>	<u>964,699</u>
FUNDS	21				
Unrestricted funds				966,953	941,306
Restricted funds				73,012	23,393
TOTAL FUNDS				<u>1,039,965</u>	<u>964,699</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2025.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2025 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.

The notes form part of these financial statements

BALANCE SHEET - continued
31 MARCH 2025

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 22 December 2025 and were signed on its behalf by:

Mr S J Hunt - Trustee

K J Shaw - Trustee

GRIZEDALE ARTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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. Many of investors have requested their stock be repaid after the year end, however 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 because they have been successful in securing grant funding of £150,000 from The Ampersand Foundation. .

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.

GRIZEDALE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Freehold property	- 2% on cost
Long leasehold	- 2% on cost
Plant and machinery	- 25% on cost
Fixtures and fittings	- at varying rates on cost
Motor vehicles	- 20% 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 £111,742 (2024: £104,318) 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 including running weekly events to generate sales and reducing costs.

GRIZEDALE ARTS

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

3. DONATIONS AND LEGACIES

	31.3.25	31.3.24
	£	£
Donations	-	15,799
Grants	288,952	229,978
	<u>288,952</u>	<u>245,777</u>

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

	31.3.25	31.3.24
	£	£
Arts Council England North West	201,334	201,332
Westmorland and Furness Council	87,368	-
Other grants	-	28,646
Other grants	250	-
	<u>288,952</u>	<u>229,978</u>

4. OTHER TRADING ACTIVITIES

	31.3.25	31.3.24
	£	£
Holiday lets	26,683	26,162
Room and facility income	8,310	(5,728)
Other trading income	1,110	1,273
	<u>36,103</u>	<u>21,707</u>

5. INVESTMENT INCOME

	31.3.25	31.3.24
	£	£
Rents received	27,343	24,000
Interest receivable	3,255	3,483
	<u>30,598</u>	<u>27,483</u>

GRIZEDALE ARTS

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

6. INCOME FROM CHARITABLE ACTIVITIES

	31.3.25	31.3.24
	Art, cultural and heritage activities £	Total activities £
Programme income	37,042	38,192
Other income	29,221	32,191
Grants	47,468	38,197
	<u>113,731</u>	<u>108,580</u>

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

	31.3.25 £	31.3.24 £
Other grants	-	2,750
National Lottery Community Fund	-	9,950
Cumbria Community Foundation	10,488	9,284
Lake District Foundation	-	1,713
Baywind Energy	-	6,000
Sasakawa Foundation	-	4,500
Daiwa Foundation	-	4,000
Royal Countryside Fund	15,000	-
Friends of The Lake District	1,980	-
The Foyle Foundation	20,000	-
	<u>47,468</u>	<u>38,197</u>

7. RAISING FUNDS

Raising donations and legacies

	31.3.25 £	31.3.24 £
Utility costs recharged	(8,253)	(9,265)
Interest payable and similar charges	14,835	14,802
	<u>6,582</u>	<u>5,537</u>

GRIZEDALE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs £	Totals £
Art, cultural and heritage activities	162,224	225,312	387,536

9. GRANTS PAYABLE

	31.3.25 £	31.3.24 £
Art, cultural and heritage activities	-	3,000

In the prior year 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):

	31.3.25 £	31.3.24 £
Depreciation - owned assets	54,084	50,786
Other operating leases	7,433	5,096

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2025 nor for the year ended 31 March 2024.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2025 nor for the year ended 31 March 2024.

12. STAFF COSTS

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

	31.3.25 6	31.3.24 6
Staff		

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

Key management personnel remuneration in the year amounted to £42,250 (2024: £26,335)

GRIZEDALE ARTS

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	245,778	(1)	245,777
Charitable activities			
Art, cultural and heritage activities	70,383	38,197	108,580
Other trading activities	21,707	-	21,707
Investment income	27,483	-	27,483
Total	<u>365,351</u>	<u>38,196</u>	<u>403,547</u>
EXPENDITURE ON			
Raising funds	5,537	-	5,537
Charitable activities			
Art, cultural and heritage activities	462,441	30,476	492,917
Total	<u>467,978</u>	<u>30,476</u>	<u>498,454</u>
NET INCOME/(EXPENDITURE)	(102,627)	7,720	(94,907)
Transfers between funds	3,462	(3,462)	-
Net movement in funds	<u>(99,165)</u>	<u>4,258</u>	<u>(94,907)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	1,040,471	19,135	1,059,606
TOTAL FUNDS CARRIED FORWARD	<u>941,306</u>	<u>23,393</u>	<u>964,699</u>

14. INDEPENDENT EXAMINER

The financial statements include the Independent Examiner's fee of £2,750 (2024: £2,750) 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 JF Hornby & Co the Independent Examiner for the year ended 31 March 2025 amounting to £4,045.(2024: Nil)

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 2024 amounting to £3,079 (2024: £18,400).

GRIZEDALE ARTS

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

15. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant and machinery £
COST			
At 1 April 2024	544,660	1,451,482	41,117
Additions	-	-	-
At 31 March 2025	544,660	1,451,482	41,117
DEPRECIATION			
At 1 April 2024	30,125	522,206	32,282
Charge for year	10,682	36,287	3,815
At 31 March 2025	40,807	558,493	36,097
NET BOOK VALUE			
At 31 March 2025	503,853	892,989	5,020
At 31 March 2024	514,535	929,276	8,835
	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2024	52,633	-	2,089,892
Additions	-	17,945	17,945
At 31 March 2025	52,633	17,945	2,107,837
DEPRECIATION			
At 1 April 2024	42,372	-	626,985
Charge for year	-	3,300	54,084
At 31 March 2025	42,372	3,300	681,069
NET BOOK VALUE			
At 31 March 2025	10,261	14,645	1,426,768
At 31 March 2024	10,261	-	1,462,907

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.

GRIZEDALE ARTS

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25	31.3.24
	£	£
Trade debtors	2,690	16,515
Amounts owed by group undertakings	111,742	104,318
Prepayments and accrued income	7,799	8,665
	<u>122,231</u>	<u>129,498</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25	31.3.24
	£	£
Bank loans and overdrafts (see note 19)	9,971	3,331
Other loans (see note 19)	145,500	16,000
Trade creditors	11,036	16,730
Social security and other taxes	3,467	969
VAT	5,199	15,756
Other creditors	2,465	4,405
Accrued expenses	2,750	2,750
	<u>180,388</u>	<u>59,941</u>

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

	31.3.25	31.3.24
	£	£
Other loans (see note 19)	<u>401,658</u>	<u>591,158</u>

19. LOANS

An analysis of the maturity of loans is given below:

	31.3.25	31.3.24
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	9,971	3,331
Other loans	145,500	16,000
	<u>155,471</u>	<u>19,331</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>43,000</u>	<u>184,500</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>86,000</u>	<u>86,000</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans more 5yrs instal	161,658	209,658

GRIZEDALE ARTS

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

19. LOANS - continued

	31.3.25	31.3.24
	£	£
Repayable otherwise than by instalments:		
Other loans more 5yrs non-inst	<u>111,000</u>	<u>111,000</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.25	31.3.24
	£	£
Architectural Heritage Loan	<u>273,658</u>	<u>289,658</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.

21. MOVEMENT IN FUNDS

	At 1.4.24 £	Net movement in funds £	Transfers between funds £	At 31.3.25 £
Unrestricted funds				
General fund	76,892	25,108	(14,657)	87,343
Designated property asset fund	<u>864,414</u>	<u>-</u>	<u>15,196</u>	<u>879,610</u>
	941,306	25,108	539	966,953
Restricted funds				
Community, Arts & Cultural	7,962	35,988	(539)	43,411
Core funding	9,135	-	-	9,135
Land & Buildings	<u>6,296</u>	<u>14,170</u>	<u>-</u>	<u>20,466</u>
	23,393	50,158	(539)	73,012
TOTAL FUNDS	<u>964,699</u>	<u>75,266</u>	<u>-</u>	<u>1,039,965</u>

GRIZEDALE ARTS

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

21. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	404,516	(379,408)	25,108
Restricted funds			
Community, Arts & Cultural	43,902	(7,914)	35,988
Land & Buildings	20,966	(6,796)	14,170
	<u>64,868</u>	<u>(14,710)</u>	<u>50,158</u>
TOTAL FUNDS	<u><u>469,384</u></u>	<u><u>(394,118)</u></u>	<u><u>75,266</u></u>

Comparatives for 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><u>1,059,606</u></u>	<u><u>(94,907)</u></u>	<u><u>-</u></u>	<u><u>964,699</u></u>

GRIZEDALE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

21. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	365,352	(467,978)	(102,626)
Designated property asset fund	(1)	-	(1)
	<u>365,351</u>	<u>(467,978)</u>	<u>(102,627)</u>
Restricted funds			
Community, Arts & Cultural	18,450	(17,026)	1,424
Land & Buildings	19,746	(13,450)	6,296
	<u>38,196</u>	<u>(30,476)</u>	<u>7,720</u>
TOTAL FUNDS	<u>403,547</u>	<u>(498,454)</u>	<u>(94,907)</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

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.

GRIZEDALE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

21. MOVEMENT IN FUNDS - continued

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

Westmorland and Furness Council had the right to nominate a trustee to the charity's council. the previous trustee resigned on 23 March 2023, at this current time they do not have an 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 £111,742 (2024: £104,318) and during the year the subsidiary paid rent of £19,600 (2024: £24,000) and utility costs of £8,253 (2024: £9,265). The subsidiary received grant funding of £nil (2024: £3,000) for hosting charitable events.

At the year end the net liabilities of the subsidiary were £91,793 (2024: £106,143) and it had received in the year income of £226,291 (2024: £331,580) and reported an operating surplus/(deficit) of £14,350 (2024:(£8,293))

A member of the key management personnel lives in the property at Lawson Park and made contributions of £2,400 (2024: £2,400) towards the running costs of the property for the year.

The partner of a member of key management personnel was paid £25,811 (2024: £19,357) for services provided to the charity during the year. These are in addition to their role as a salaried employee of the charity.