THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

England & Wales · Charity number 1086789

Details

Other names	BREWERY ARTS CENTRE, THE BREWERY
Status	Registered
Legal form	Charitable company
Company number	03927101
Registered	2001-05-29
Register	View on the Charity Commission register

Contact

Address	Kendal Brewery Arts Centre 122a Highgate Kendal LA9 4HE
Phone	01539722833
Email	miriam.randall@breweryarts.co.uk
Website	www.breweryarts.co.uk

Activities

Objects: A) TO PROMOTE MAINTAIN IMPROVE AND ADVANCE EDUCATION PARTICULARLY BY THE ENCOURAGEMENT OF THE ARTS AND CRAFTS AND THE FORMULATION PREPARATION AND ESTABLISHMENT OF SCHEMES TO RENDER THE ARTS ACCESSIBLE TO THE PUBLIC.B) TO PROMOTE THE EDUCATION OF CHILDREN BY ENCOURAGING AN INTEREST IN AND AN UNDERSTANDING OF THE ARTS AND BY RUNNING PLAY SCHOOLS FOR YOUNG CHILDREN.C) ANY OTHER PUBLIC CHARITABLE PURPOSES TENDING TO ENCOURAGE INTEREST IN THE ARTS WHICH MAY CONVENIENTLY BE PROMOTED IN COMBINATION WITH THE AFORESAID

Activities: Provision of balanced and diverse programme of artistic and educational activity across all art forms

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Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- Cumbria

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,701,810	£2,934,619	£1,906,702	71
2024-03-31	£2,443,133	£2,702,691	£2,139,511	67
2023-03-31	£2,345,509	£2,448,650	£2,388,994	65
2022-03-31	£1,824,660	£1,926,978	£2,736,542	53
2021-03-31	£1,854,304	£1,482,172	£3,104,666	27

Trustees

Name	Role	Appointed
ADRIAN LEATHER		2024-06-19
Abigail Lawson		2018-09-11
Annabel Charlotte Emery		2024-06-19
Charles Pattinson		2024-06-19
DAVID LEE STEVENS		2018-09-11
Gareth Bullock		2024-06-19
John Hyland		2024-06-19
Kerrie Walsh		2024-06-19
Paul Dale		2024-06-19
Sam John Hunt		2021-05-20

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THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

England & Wales - Charity number 1086789

Accounts

Registered number: 03927101
Charity number: 1086789

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

ArmstrongWatson®

Accountants, Business & Financial Advisers

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED
(A company limited by guarantee)

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THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2025

Trustees	P L Whitehurst (resigned 24 September 2024) T R Clarke (resigned 31 March 2025) A Lawson D L Stevens A Senior (resigned 20 April 2024) N E Farrer (resigned 19 September 2024) S J Hunt S L H Newton (resigned 26 April 2024) L Chirwa (resigned 20 April 2024) K Walsh (appointed 19 June 2024) A Leather, Chair (appointed 19 June 2024) G Bullock (appointed 19 June 2024) P Dale (appointed 19 June 2024) A Emery (appointed 19 June 2024) C Pattinson (appointed 19 June 2024) J Hyland (appointed 19 June 2024)
Company registered number	03927101
Charity registered number	1086789
Registered office	Brewery Arts 122A Highgate Kendal Cumbria LA9 4HE
Company secretary	M Randall
Chief executive officer	M Randall
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors James Watson House Montgomery Way Rosehill Carlisle CA1 2UU
Bankers	Virgin Money Box 24 Business Direct 40 St Vincent Place Glasgow G1 2HL
Solicitors	Milne Moser Solicitors Westmorland House The Square Milnthorpe Cumbria LA7 7QJ

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The Trustees, who are also the directors of the charitable company ("the Charity") for the purposes of the Companies Act 2006, present their annual report on the affairs of the Charity, together with the financial statements and auditors' report, for the year ended 31 March 2025. The annual report and financial statements are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The reference and administrative information set out on page 1 forms part of this report. The financial statements have been prepared in accordance with the accounting policies set out in the notes and 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) (effective 1 January 2015).

Objectives and activities

The Charity's main objectives are:

- to promote, maintain, improve and advance education particularly by the encouragement of the Arts and Crafts and the formulation, preparation and establishment of schemes to render the Arts accessible to the public;
- to promote the education of children by encouraging an interest in and understanding of the Arts and by running play schools for young children;
- for any other charitable purposes tending to encourage interest in the Arts which may be conveniently promoted in combination with the aforesaid purpose and which may include permitting Old Age Pensioners to use the premises of the Charity for the purpose of recreation or other leisure-time activities with the object of improving their conditions of life; and,
- to promote for the benefit of the inhabitants of Kendal, the South Lakes and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the quality of life of the said inhabitants.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives. In particular, the Trustees consider how planned activities contribute to the aims and objectives. We are satisfied that each of our aims is charitable and that each is for public benefit, and we are confident that our activities are consistent with our objectives. The following paragraphs demonstrate that our activities deliver public benefit. While we rely on ticket sales as part of our income, we provide access at concessionary rates for performances and for classes wherever practicable.

The Charity exists to engage and inspire the community and future generations. Our mission is to enrich lives through culture and provide wide-ranging opportunities for creative participation in the arts

Public benefit

We provide public benefit by meeting our charitable aims, and this is done by presenting a diverse programme of live music, theatre, dance, comedy, visual arts, literature and film and in the provision of creative learning and engagement activities which are all available to, and enjoyed by, a wide audience in Kendal and the wider region. In 2024-25 our programme attracted over 142,000 people to our venue through our key programme strands: Live Performance; Creative Learning & Engagement; Cinema & Stage on Screen; Community Events; Festivals; and Exhibitions.

Strategic Report

Achievements and Performance

The main activities undertaken to meet our objectives and to deliver public benefit are summarised below.

a) Creative Learning & Community Engagement

Our Creative Learning & Engagement programme engages people of all ages, backgrounds and abilities in a range of artforms, including visual arts, dance, drama, music, literature and film. In 2024-25 we delivered a total of 891 creative learning sessions, with 10,658 attendances. Of this figure, 6,096 attendances were children and young people between the ages of 3-19 years. This included two week-long summer schools, Arts Unleashed.

Our 60+ theatre company, Act Your Age, and our dance group, Mature Movers, also continued to thrive, with 1,249 attendances from people between the ages of 60 - 80 who enjoyed weekly classes in dance and drama. These groups also presented showcase performances, working with our Engagement and Production teams to share and celebrate their work with audiences in our theatre.

Classes throughout the year included Portrait Drawing, Pottery Throwing, Makers' Club, Get Moving, Scriptwriting, Film Crew, Stage Stars and many others. Regular feedback demonstrates the wide range of positive impacts on the lives of our participants, who gain skills, confidence, wellbeing, social connection and pathways to further their training, careers or artistic practice.

b) Creative Learning Projects & Performances

Future Creatives - Brewery Arts Music Makers: This was a new project for young people aged 16 - 25 to attend free workshops and talent development opportunities in music production. Delivered in partnership with the Brathay Trust and facilitated by Horizon Studios, Barrow, the project supported a cohort of 12 inspiring young creatives who were connected with established professionals in the music industry, such as the founders of Kendal Calling, and also given live performance slots at Kendal Calling, as well as at Brewery Arts.

Schools & Community Dance Platform 2025: This annual event continues to be a highlight which connects us with 30 local schools for a week of performances by 550 young people. Feedback from teachers, parents, participants and freelance artists is outstanding. We expanded our dance platform programme by adding a community event which was attended by 92 people.

Youth Arts Showcases: Young People within Brewery Youth Theatre and Brewery Youth Dance collaborated with Act Your Age and Mature Movers for an intergenerational showcase, Twinkles, Wrinkles and Magical Nights, which attracted 200 visitors.

Regional Opportunities: To connect with the wider region, Mature Movers performed with their counterparts and took part in workshops which were attended by older people from The Dukes, Lancaster and Dance City in Newcastle whilst our 11-14 year-old dance group performed at the Northwest U-Dance festival at the Lowry in Manchester.

Verbalise: We presented monthly spoken word open mic events throughout the year, providing hybrid access to increase access for disabled people. We also support the Brewery Poets group who meet regularly with occasional public sharings.

c) Supported Community Events

We are proud to support a wide range of community events with discounted venue hire and facilities across the year, strengthening partnerships and helping to serve the local community. Highlights from this strand of our programme include annual shows from Kendal College and Kirkbie Kendal School, whilst Queen Katherine School held their Arts evening with us. We also supported Cumbria Arts & Culture Network, Every Life Matters, Cumbria CVS, Red Rose Recovery, and workshops and screenings for Kendal Pride.

Youth Matters: Our partnership with the Brathay Trust continues to support activities for Youth Matters. This provides weekly sessions for young people aged 11-18 to meet and create events in our Warehouse. This has led to partnership working on our engagement projects such as BAMM.

d) Kendal Mountain Festival

We continued to expand our activities with Kendal Mountain Festival, welcoming approximately 9,000 visitors to our venue over the festival weekend in November. This included an expansive programme of adventure films, talks and a visual art exhibition. The festival also included some live music events focussing on artists working with environmental themes.

e) Supported Artists & Exhibitions

During the year, we continued to support exceptional talent from the local area, and add value to the wider programme through pop-up exhibitions, workshops and public performances. This included development time in our theatre for Kendal-based musicians Hayden Thorpe and Jack McNeill, rehearsal time in the studio for Kyra Scott and a development sharing by Emily Woof of her new show Blizzard.

Exhibitions: We staged nine exhibitions throughout the year, featuring a range of visual art, sculpture, film and photography. Two were in partnership with Kendal Mountain Festival and The Wainwright Prize (with James Cropper PLC). We had a solo exhibition from photographer Daniel Cooper. We held the inaugural Brewery Open Exhibition featuring the work of 48 local artists, as well as in-house shows featuring work produced by our creative learning students and tutors. We estimate that approximately 24,000 people visited the galleries during this time.

f) Live Performance Programme

Our live performance programme takes place year-round and brings artists, musicians, performers and companies from across the world to enrich and entertain audiences from Kendal and beyond. In total, we presented 196 performances and events across music, theatre, dance, comedy and spoken word in 2024-25. This attracted 38,500 people to our venue, which is an increase of 5% on the previous year.

Live Music: Our live music strand presented international names in contemporary rock, indie, folk, jazz, electronica and world music. Highlights included Bess Atwell, Bernard Butler, The Wedding Present, The Undertones, The Zombies, Imar, LAU, Snapped Ankles, Fergus McCreadie, Espen Eriksen Trio, N'Famady Kouyate, Seckou Keita and Orchestra Baobab. Audiences for music continues to grow each year, with 22,500 tickets across 98 gigs. We also presented five free Summer Sunday outdoor music events which were well attended and appreciated by the local community.

Family Theatre: Our family theatre programme continued to build with Roald Dahl and The Imagination Seekers, and Nick Cope's Family Show. We also welcomed the return of Stuff and Nonsense for our Christmas show who presented The Man Who Wanted to be a Penguin. Admissions for family theatre during the reporting period hit 4,000 from 34 performances.

Comedy & Spoken Word: Our comedy programme continues to grow, attracting large audiences. Maisie Adams, Ivo Graham, Troy Hawke, Russell Kane, Fern Brady and Mark Watson were just some of the highlights. Over spring, autumn and winter, we also presented monthly sessions of our intimate comedy club. In terms of spoken word, we have welcomed to our stage the return of Hollie McNish, Lemn Sissay and Henry Normal. Including Verbalise mentioned earlier, comedy and spoken word featured 45 performances, attracting a total audience of 8,000.

g) Cinema, Stage on Screen & Exhibition on Screen

Across the whole reported year, film screenings and the live streaming of cultural events received a total audience of 59,100 admissions across 1,940 screenings, which is an increase of 10% on the previous year. In cinema, the programme features the broadest and most diverse range of films and live culture screenings in Cumbria, ranging from blockbuster titles such as Bridget Jones: Mad About the Boy, Wicked, Inside Out 2,

Despicable Me and Paddington in Peru, to British, independent and international film. Highlights included acclaimed first run releases such as Conclave, The Outrun, The Substance, and Starve Acre. Special seasons and festivals included The Japan Foundation Touring Film Programme, KMF on Tour, and our monthly Cine-Social Film Club.

We have continued to feature a strong Stage on Screen programme within our offer, headlined by live streamed and encore performances from National Theatre Live (including The Motive and The Cue, and Nye), The Royal Opera House, The Royal Ballet and others. In total, we received an audience of 7,000 across 80 screenings of Stage on Screen. This is an increase of 30% on the previous year.

We also partnered with others to present films and wraparound events that celebrate diversity and increase access for all, with Cumbria Deaf Association, South Lakes Action for Climate Change, Carer Support South Lakes and Brathay Trust/Youth Matters. Our film programme offers year-round inclusive screenings for parents and babies, subtitled screenings, and relaxed screenings.

h) Creative & Visitor Economy

We leveraged national funding and contributed to local, regional and national strategic initiatives and groups, to benefit the creative and visitor economy of Westmorland and Furness. We maintained strategic partnerships with Arts Council England, including extending our NPO status, and with Westmorland & Furness Council, Kendal Town Council, Kendal College, Cumbria Music Hub, Kendal Mountain Festival, British Film Institute, Future Arts Centres, Film Hub North, Venues North, Music Venues Trust, Cumbria Arts & Culture Network, Cumbria Tourism and Kendal Futures. We continued to actively contribute to county-wide programmes and plans, including the Cumbria-wide Helping Hands volunteering project, which was led by Cumbria Museums Consortium as part of a national initiative.

Financial review

We are grateful to key funders, Arts Council England, Westmorland & Furness Council, Kendal Town Council and BFI Film Hub North, for their continued support to help us maintain the valuable work we do. We are also grateful for the continued support received from the Brewery Arts Centre Endowment Trust and a range of other Trusts and foundations.

Our wholly-owned subsidiary, Kendal Catering Company Limited ("KCC"), operates the food, drink and car park activities within The Brewery site. This is an important part of our offer to people attending all our venues. In 2024-25 KCC made a profit and was able to donate £59,442 to the parent charity.

Restricted Funds saw net expenditure of £72,694, with this decrease representing the impact of restricted assets' depreciation charged to the Restricted Funds.

The Designated Fund (unrestricted) saw net expenditure of £87,232, which represented the impact of designated assets' depreciation on the Designated Fund.

The General Unrestricted Fund received a net transfer of £160,570, which reduced the deficit level. The deficit stands at £114,305 at 31 March 2025.

The overall objective continues to be to reduce the General Unrestricted Fund deficit over the next three years. To support this, the trustees agreed to release the permanent endowment to support the operational requirements of the organisation and reduce the historic deficit in 2024-25.

A funding agreement is in place from Arts Council England as part of their National Portfolio until 2027-2028 and support also continues from the Brewery Arts Centre Endowment Trust, Westmorland and Furness Council, Kendal Town Council and the British Film Institute.

Investment policy and performance

The trustees' investment powers are governed by the Articles of Association, which permit the Charity's funds to be invested as the trustees see fit and in a manner which is beneficial for the achievement of the Charity's objects.

During the year, the Charity invested endowment funds donated to it for the express purpose of generating income to further its objectives.

The investment vehicle with Rathbones offered a diverse investment portfolio, guaranteed index performance, and was a cost-effective way of maintaining equity market exposure for the Charity.

Due to economic pressures, steep inflationary price rises and the challenging funding landscape since the pandemic, the trustees agreed to release the permanent endowment to support the operational requirements of the organisation and reduce the historic deficit.

Risk management

The trustees regularly review the risks to which the Charity is exposed. The Charity follows accepted health and safety procedures in all its activities to minimise the likelihood of harm to staff, performers, volunteers, and visitors to the Arts Centre. The trustees consider that, as far as it is currently practical, suitable systems, internal controls and insurances are in place to mitigate risks.

Financial sustainability continues to be the highest risk for the Charity, with unrestricted funds in deficit. The Charity does not hold significant levels of reserves to support volatility in financial performance. The business plan includes a financial strategy to reduce this historic deficit, whilst continuing to meet our charitable aims and the aims of our funders.

Reserves policy

Total funds at 31 March 2025 amounted to £1,902,964 of which £560,338 were held in restricted funds and are therefore not available for the general purposes of the Charity. The designated funds amounted to £1,456,881, representing the net book value of the buildings acquired with unrestricted funds. Other than depreciation, no material expenditure is expected from the buildings designated fund in the forthcoming year.

General unrestricted funds were in deficit at 31 March 2025 at £114,305, a reduction of £83,949 on the opening position.

The trustees have reviewed the reserves policy and consider that the level of free reserves (that is those items not tied up in fixed assets and restricted funds) required to sustain its operations should be equivalent to three months' worth of annual expenditure on support costs and overheads (25% of budget). The reserves are needed to meet the working capital requirements of the Charity. The current reserves target is £382,779. Free reserves are currently £0 but the Charity's financial strategy aims to build reserves incrementally year-on-year and to reach target within the next five years.

The strategy for building reserves is as follows:
1. to strengthen the business model, increase commercial profitability, widen private and grant income streams and secure the future development of the Charity;
2. to set operating budgets that generate annual cash surpluses for reinvestment in the Charity; and
3. to maximise income generation opportunities and the return on investment for all activities, and through appeals and fundraising.

This will be achieved by:
- implementing the artistic, engagement and marketing strategies in the Business Plan;
- implementing the financial strategies led by the Finance Director;
- monitoring data each week to review progress against financial and audience targets, and adjusting activities accordingly;
- regularly reviewing pricing levels for arts, cinema, education, and all other activities;
- maintaining tight control of costs;
- ensuring that all working procedures and staffing levels are economic and efficient; and
- broadening the funding base of the Charity by seeking new partnerships and new sources of grant funding, sponsorship, legacies, and donations

Plans for future periods

In 2025-26 we will continue to increase audience engagement with our artistic and participatory programmes, increase revenue on cultural and commercial activity, and generate more private income from a wider variety of sources. Our overall target for the Business Plan is to consolidate our finances so that we can achieve positive unrestricted undesignated reserves by 2028

Over the next three years we will work towards the following main aims.

- **Programme:** Increase the scale, impact and distinctiveness of the presented programme.
- **Engagement:** Diversify the engagement programme to increase social and economic impact.
- **Audiences:** Broaden audiences and communities to deepen dialogue, reach and impact.
- **Finance:** Strengthen the financial model of the organisation to secure long term sustainability.
- **Operations:** Develop the building, operations and teams to ensure sustainability and resilience.

In 2024-25, we will prioritise the following specific areas of work:

- increase public benefit and the profile and reach of the organisation, by presenting a distinctive, ambitious and high-quality programme on stage and screen, with dynamic audience development strategies and exceptional customer service;
- review our engagement programmes to ensure our work is competitive and relevant, providing exceptional quality and relevant programmes for the community;

- continue to build our donor base, implementing new campaigns and mechanisms for giving, and refreshing the membership scheme and sponsorship strategies;
- develop and diversify the Board and recruit two new trustees with finance and hospitality expertise;
- seek core funding from trusts and foundations to increase our resilience and expand our artist support programmes;
- seek capital funding to maximise our facilities, maintain the building and improve its energy efficiency;
- deliver two funded music programmes as part of our Future Creatives talent development programme and other engagement activities;
- be data-led so that we keep progress against targets under close review, and act responsively according to internal and external patterns and trends;
- continue to provide an exceptional hospitality offer to service all visitors, placing great customer service at the heart of the visitor experience;
- improve the evaluation programme so that we know more about the people we serve and the impact we have;
- deliver a comprehensive staff training and development programme; and
- deliver our Environmental Action Plan.

Structure, governance and management

a) Governing Document

The Charity is a company limited by guarantee and a registered charity. It is governed by its Memorandum and Articles of Association which were updated by special resolution on 14 February 2006.

b) Recruitment and Appointment of Trustees

The trustees are elected by the company at the Annual General Meeting in accordance with the Articles of Association. Six trustees resigned during the year, and seven new trustees were appointed. The trustees who served during the year are set out on page 1.

c) Trustee Induction and Training

An induction pack is available to any new trustee which includes a copy of the Memorandum and Articles of Association, a summary of the Charity's objectives, a copy of the Charity Commission's guide on the duties of a trustee and the most recent financial statements.

d) Organisational Structure

The Charity has a wholly owned subsidiary, Kendal Catering Company Limited, which manages the provision of bar, catering and car parking facilities within the Arts Centre and at other outlets. The Board of Kendal Catering Company meets regularly to oversee the work of this company.

The trustees have regular access to information regarding the programme and financial performance of the charity and meet at least every quarter. The Board has a Finance Sub-Committee and other ad hoc committees/working groups are set up to consider specific issues where needed. All Trustees' meetings and committee meetings are attended by the Chief Executive and the Finance Director.

Our key funders are all invited to send observers to the Trustees' Meetings. These funders are Arts Council England, Westmorland & Furness Council and Kendal Town Council.

e) Fundraising methodology

Whilst the majority of the Charity's income is generated through its charitable activities, it is also reliant on grants and voluntary donations to enable it to deliver its high-quality, diverse artistic programme.

The majority of this income is provided by way of grants from arts funders (primarily Arts Council England), local government (Westmorland & Furness Council and Kendal Town Council), the Brewery Arts Centre Endowment Trust (an independent Trust set up to support Brewery Arts), and other grant-awarding bodies on an ad-hoc

basis. A relatively small amount of donations is received from people attending events and from the general public.

As this additional income is critical to the on-going development of The Brewery, the Charity employs one member of staff dedicated to fundraising, primarily through making grant applications. During the financial year, the Charity was not subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising, in respect of activities on behalf of the Charity. However, the activities of the Fundraising Manager are monitored by the Chief Executive, to ensure that they are in-line with internal policies and procedures.

The Charity did not receive any complaints during the year concerning the Charity's fundraising activities.

The Charity is committed to protecting vulnerable people and other members of the public from the following behaviour in the course of, or in connection with, its fundraising activities:

- unreasonable intrusion on a person's privacy;
- unreasonably persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the Charity;
- placing undue pressure on a person to give money or other property.

f) Key management personnel remuneration

The Trustees consider the board of Trustees, the Chief Executive and the Finance Director as comprising the key management personnel of the Charity in charge of directing and controlling the Charity and running and operating the Charity on a day-to-day basis. The remuneration paid to the Chief Executive and Finance Director and the expenses reimbursed to them are disclosed in note 12 to the financial statements. The Trustees give their time freely and no Trustee remuneration was paid to them during the year.

Trustees are required to disclose all relevant interests to other Trustees and withdraw from decisions where a conflict of interest arises. Details of related party transactions are disclosed in note 25 to the financial statements. Any benefit received by Trustees, staff and volunteers is purely incidental to the objects of the Charity.

An annual pay review across the Group took place during the year and was approved by the Trustees. The review considered the impact of the National Living Wage rise and being able to maintain appropriate differentials in pay levels right through the overall structure.

Statement of Trustees' responsibilities

The Trustees (who are also directors of the Kendal Brewery Arts Centre Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the 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 financial year, which give a true and fair view of the state of affairs of the group and the charitable company and of the group's incoming resources and application of resources, including the income and expenditure, of the group for the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

(a) so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
(b) they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:

David Stevens (Oct 5, 2025 10:53:59 GMT+1)

.....

D L Stevens
(Trustee)
Date: 05/10/2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

Opinion

We have audited the financial statements of The Kendal Brewery Arts Centre Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated statement of financial activities, the Consolidated statement of financial position, the Charity statement of financial position, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2025 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the

Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with Trustees and other management, and from our commercial knowledge and experience of the not for profit sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED (CONTINUED)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Karen Rae (Oct 21, 2025 10:22:33 GMT+1)

Karen Rae (Senior statutory auditor)

Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors
Carlisle

Date: 21/10/2025

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

(A company limited by guarantee)

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

	Note	Endowment funds 2025 £	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income and endowments from:						
Donations and legacies	3	-	149,400	547,437	696,837	618,724
Charitable activities	4	-	-	1,141,205	1,141,205	990,835
Other trading activities	5	-	-	863,479	863,479	829,281
Investments	6	-	-	289	289	4,293
Total income and endowments		-	149,400	2,552,410	2,701,810	2,443,133
Expenditure on:						
Raising funds and other trading expenses	7/8	-	-	740,592	740,592	735,309
Charitable activities	9	-	222,094	1,971,933	2,194,027	1,967,382
Total expenditure		-	222,094	2,712,525	2,934,619	2,702,691
Net expenditure before net gains on investments		-	(72,694)	(160,115)	(232,809)	(259,558)
Net gains on investments		-	-	-	-	10,883
Net expenditure before taxation		-	(72,694)	(160,115)	(232,809)	(248,675)
Taxation		-	-	-	-	(808)
Net expenditure after taxation		-	(72,694)	(160,115)	(232,809)	(249,483)
Transfers between funds	20	(160,570)	-	160,570	-	-
Net movement in funds		(160,570)	(72,694)	455	(232,809)	(249,483)
Reconciliation of funds:						
Total funds brought forward		160,570	633,082	1,345,859	2,139,511	2,388,994
Net movement in funds		(160,570)	(72,694)	455	(232,809)	(249,483)
Total funds carried forward		-	560,388	1,346,314	1,906,702	2,139,511

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 03927101

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note		2025 £		2024 £
Fixed assets					
Tangible assets	14		**2,130,972**		2,291,046
Investments	15		**-**		160,570
			2,130,972		2,451,616
Current assets					
Stocks	16	**16,580**		20,203	
Debtors	17	**39,727**		63,335	
Cash at bank and in hand		**69,334**		72,784	
		125,641		156,322	
Creditors: amounts falling due within one year	18	**(349,911)**		(462,871)	
Net current assets / Liabilities			**(224,270)**		(306,549)
Total assets less current liabilities			**1,906,702**		2,145,067
Creditors: amounts falling due after more than one year	19		**-**		(5,556)
Total net assets			**1,906,702**		2,139,511

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Charity funds			
Endowment funds	20	**-**	160,570
Restricted funds	20	**560,388**	633,082
Unrestricted funds	20	**1,346,314**	1,345,859
Total funds		**1,906,702**	2,139,511

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

David Stevens (Oct 5, 2025 10:53:59 GMT+1)

D L Stevens
Trustee
Date: 05/10/2025

The notes on pages 21 to 44 form part of these financial statements.

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 03927101

CHARITY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note		2025 £		2024 £
Fixed assets					
Tangible assets	14		**2,084,125**		2,265,772
Investments	15		**49,900**		210,470
			2,134,025		2,476,242
Current assets					
Debtors	17	**101,529**		80,597	
Cash at bank and in hand		**870**		770	
		102,399		81,367	
Creditors: amounts falling due within one year	18	**(329,722)**		(412,542)	
Net current assets / Liabilities			**(227,323)**		(331,175)
Total assets less current liabilities			**1,906,702**		2,145,067
Creditors: amounts falling due after more than one year	19		**-**		(5,556)
Total net assets			**1,906,702**		2,139,511

CHARITY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Charity funds			
Endowment funds	20	**-**	160,570
Restricted funds	20	**560,388**	633,082
Unrestricted funds	20	**1,346,314**	1,345,859
Total funds		**1,906,702**	2,139,511

The Charity's net movement in funds for the year was £(232,809) *(2024 - £(267,152))*.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

David Stevens (Oct 5, 2025 10:53:59 GMT+1)

.....

D L Stevens
Trustee
Date: 05/10/2025

The notes on pages 21 to 44 form part of these financial statements.

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Cash flows from operating activities		
Net cash used in operating activities	**(107,119)**	22,946
Cash flows from investing activities		
Dividends, interests and rents from investments	**289**	4,290
Proceeds from the sale of tangible fixed assets	**23,142**	-
Purchase of tangible fixed assets	**(80,332)**	(72,115)
Proceeds from sale of investments	**160,570**	100,000
Net cash provided by investing activities	**103,669**	**32,175**
Cash flows from financing activities		
Repayments of borrowing	**-**	(33,333)
Net cash provided by/(used in) financing activities	**-**	**(33,333)**
Change in cash and cash equivalents in the year	**(3,450)**	**21,788**
Cash and cash equivalents at the beginning of the year	**72,784**	50,996
Cash and cash equivalents at the end of the year	**69,334**	72,784

The notes on pages 21 to 44 form part of these financial statements

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

1. General information

The Kendal Brewery Arts Centre Trust Limited is a company limited by guarantee and accordingly does not have a share capital, registered in England and Wales. Every member of the company undertakes to contribute £10 in the event of the charitable company being wound up while he or she is a member.

The company number, charity number and address of the Registered Office are given in the reference and administration information on page 1 of these financial statements. The principal nature of the charity's operations is to promote for the benefit of the inhabitants of Kendal, the South Lakes and the surrounding area the provision of facilities for arts, education, recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances and for the public at large in the interests of social welfare and with the object of improving the quality of life of the said inhabitants.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Kendal Brewery Arts Centre Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated statement of financial position consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

The financial statements have been prepared on a going concern basis. Whilst the economic landscape continues to be challenging for sector in general and Kendal Brewery Arts in particular, the Trustees believe that they can adopt the going concern basis in the preparation of the annual accounts. The Trustees have reviewed and considered relevant information, including annual budget, performance in Q1 of 2024-25, updated forecast and future cashflows in making their assessment. The following information has been key to this process.

- The charity owns its building and land.
- The charity has released endowment funds to reduce the historic deficit during the 2024-25 financial year.
- Operating and Capital Budgets for future years have been designed to generate cash positive balances, including surplus balances for the subsidiary company.
- In response to the current economic climate the Trustees have tested their cash flow analysis to take into account possible impacts alongside mitigations that could be taken.
- Arts Council England funding has been secured for a further three years from 2024-27.
- Local Authority funding has been secured for a further year from 2024-25.
- BFI has confirmed continued annual strategic partnership funding from 2024-25.

2. Accounting policies (continued)

2.2 Going concern (continued)

• Key clients Kendal Mountain Festival, Kendal College, Brathay Trust and a range of schools, have confirmed the charity as their venue and programme partner for 2024-25.
• Confirmed programme for 2024-25 includes a year-round schedule of internationally renowned acts in music, comedy, theatre.

The Trustees have concluded that the latest forecast shows they can continue to adopt the going concern basis in preparing the annual report and accounts.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Activity income is included when receivable. Any income received in advance of a performance or the provision of another service is deferred until the criteria for income are met.

Catering activities are carried out by Kendal Catering Company Limited whose profits are payable to The Kendal Brewery Arts Centre Trust Limited via a distribution if there are sufficient reserves to do so. The income is included when receivable.

In accordance with the Charities SORP (FRS 102) the general volunteer time is not recognised as income. The Trustees' annual report contains information regarding their contribution.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

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

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%
Plant and machinery	-	10%
Fixtures, fittings & bar equipment	-	10%
Computer equipment	-	25%

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Debtors

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

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2. Accounting policies (continued)

2.13 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.14 Financial instruments

The Group 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.

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The group also operated a defined benefits pension scheme as a member of the Cumbria Local Government Pension Scheme. This is a multi-employer defined benefit scheme and the assets are held separately from those of the charity. The last member of this scheme ceased employment in 2020 and the charity's share of the scheme's assets and liabilities have been identified via a termination summary paper. The scheme has been settled in the financial year and no further payments to the scheme will be made.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

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 are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

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

3. Income from donations and legacies

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Grants				
Arts Council - NPO	-	327,776	**327,776**	327,776
Westmorland and Furness Council (SCP)	67,500	-	**67,500**	67,500
Westmorland and Furness Council (Dance Platform)	-	-	**-**	5,000
Westmorland and Furness Council (NPO Support)	-	10,000	**10,000**	10,000
Westmorland and Furness Council (Additional Support)	-	-	**-**	22,500
Brewery Arts Centre Endowment Trust	-	119,000	**119,000**	116,000
Kendal Town Council	-	10,000	**10,000**	10,000
Film Hub North	-	-	**-**	20,000
Anonymous	18,500	-	**18,500**	17,750
Cumbria Community Foundation (Engagement)	-	-	**-**	4,812
National Youth Foundation (Engagement)	15,000	-	**15,000**	-
Future Creatives: Young Music Producers	-	9,450	**9,450**	-
Garfield Weston Foundation	-	50,000	**50,000**	-
Other Grant Income	400	550	**950**	550
Screen 3	48,000	-	**48,000**	-
Subtotal detailed disclosure	149,400	526,776	**676,176**	601,888
Donations	-	20,661	**20,661**	16,836
Subtotal	-	20,661	**20,661**	16,836
	149,400	547,437	**696,837**	618,724
Total 2024	137,562	481,162	618,724	

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

4. Income from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Cinema	300,635	**300,635**	298,912
Stage on Screen	77,465	**77,465**	62,932
Adult Education	67,381	**67,381**	65,114
Youth Education	49,726	**49,726**	51,492
Theatre/Dance/Literature	62,098	**62,098**	63,236
Music	297,193	**297,193**	224,715
Comedy	112,762	**112,762**	67,419
Other Income	173,945	**173,945**	157,015
	1,141,205	**1,141,205**	990,835

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Bar & catering	796,444	**796,444**	775,893
Car park income	67,035	**67,035**	49,473
Other income	-	**-**	3,915
	863,479	**863,479**	829,281

6. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from local listed investments	289	**289**	4,293

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

7. Expenditure on raising funds

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Expenditure on raising voluntary income			
Wages and salaries	18,059	**18,059**	24,151
National Insurance	1,875	**1,875**	1,875
Pensions	493	**493**	493
Direct costs	113	**113**	5
Administrative expenses	5,389	**5,389**	4,240
	25,929	**25,929**	30,764

8. Other trading expenses

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Cost of sales	290,231	**290,231**	287,543
Administration expenses	49,214	**49,214**	79,403
Administration staff costs	365,420	**365,420**	328,567
Depreciation	5,328	**5,328**	1,997
Car park costs	6,339	**6,339**	7,035
	716,532	**716,532**	704,545

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

9. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total 2025 £	Total 2024 £
Cinema	18,500	405,771	**424,271**	389,508
Stage on screen	-	104,351	**104,351**	92,382
Live events	16,875	706,573	**723,448**	612,189
Creative learning	17,275	184,994	**202,269**	184,402
Education & Outreach	31,875	178,396	**210,271**	194,492
Administrative expenses	137,569	393,717	**531,286**	494,409
	222,094	1,973,802	**2,195,896**	1,967,382
Total 2024	251,809	1,715,573	1,967,382	

10. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total 2025 £	Total 2024 £
Cinema	184,610	239,661	**424,271**	389,507
Stage on screen	44,471	59,880	**104,351**	92,383
Live events	375,486	347,962	**723,448**	612,189
Creative learning	92,018	110,251	**202,269**	184,402
Education & Outreach	33,822	176,449	**210,271**	194,492
Administrative expenses	-	529,417	**529,417**	494,409
	730,407	1,463,620	**2,194,027**	1,967,382
Total 2024	619,421	1,347,961	1,967,382	

11. Auditors' remuneration

The auditors' remuneration amounts to an audit fee of £17,300 *(*2024 - £16,840*)*, and financial statement preparation fees of £5,200 (2024 - £4,950).

12. Staff costs

	Group 2025 £	Group 2024 £	**Charity 2025 £**	Charity 2024 £
Wages and salaries	**1,138,648**	1,054,081	**797,695**	746,420
Social security costs	**78,171**	67,603	**58,690**	51,971
Contribution to defined contribution pension schemes	**26,355**	25,110	**21,370**	19,836
	1,243,174	1,146,794	**877,755**	818,227

The average number of persons employed by the Group during the year was as follows:

	Group 2025 No.	Group 2024 No.	**Charity 2025 No.**	Charity 2024 No.
Administration and management	**7**	9	**7**	9
Bar and catering	**33**	27	**-**	-
Support	**15**	15	**15**	15
Activity	**16**	16	**16**	16
	71	67	**38**	40

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity comprise the Trustees the Chief Executive and the Director of Finance. The total employee benefits of the key management personnel including any employer pension contributions were £102,913 (2024 - £117,105).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 March 2025, expenses totalling £89 were reimbursed or paid directly to one Trustee (2024 - £18).

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

14. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2024	**4,361,614**	**36,174**	**901,736**	**280,681**	**5,580,205**
Additions	**-**	**28,931**	**49,744**	**1,688**	**80,363**
Disposals	**-**	**-**	**(15,715)**	**(7,427)**	**(23,142)**
At 31 March 2025	**4,361,614**	**65,105**	**935,765**	**274,942**	**5,637,426**
Depreciation					
At 1 April 2024	**2,680,006**	**10,900**	**384,663**	**213,590**	**3,289,159**
Charge for the year	**87,232**	**5,489**	**88,785**	**53,669**	**235,175**
On disposals	**-**	**-**	**(10,453)**	**(7,427)**	**(17,880)**
At 31 March 2025	**2,767,238**	**16,389**	**462,995**	**259,832**	**3,506,454**
Net book value					
At 31 March 2025	**1,594,376**	**48,716**	**472,770**	**15,110**	**2,130,972**
At 31 March 2024	1,681,608	25,274	517,073	67,091	2,291,046

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

14. Tangible fixed assets (continued)

Charity

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2024	**4,361,614**	**-**	**901,736**	**280,681**	**5,544,031**
Additions	**-**	**1,950**	**49,744**	**1,688**	**53,382**
Disposals	**-**	**-**	**(15,715)**	**(7,427)**	**(23,142)**
At 31 March 2025	**4,361,614**	**1,950**	**935,765**	**274,942**	**5,574,271**
Depreciation					
At 1 April 2024	**2,680,006**	**-**	**384,663**	**213,590**	**3,278,259**
Charge for the year	**87,232**	**81**	**88,785**	**53,669**	**229,767**
On disposals	**-**	**-**	**(10,453)**	**(7,427)**	**(17,880)**
At 31 March 2025	**2,767,238**	**81**	**462,995**	**259,832**	**3,490,146**
Net book value					
At 31 March 2025	**1,594,376**	**1,869**	**472,770**	**15,110**	**2,084,125**
At 31 March 2024	1,681,608	-	517,073	67,091	2,265,772

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

15. Fixed asset investments

	Listed investments £
At 1 April 2024	**160,570**
Disposals	**(159,634)**
Revaluations	**(936)**
At 31 March 2025	**-**
Net book value	
At 31 March 2025	**-**
At 31 March 2024	160,570

Charity	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2024	**49,900**	**160,570**	**210,470**
Disposals	**-**	**(159,634)**	**(159,634)**
Revaluations	**-**	**(936)**	**(936)**
At 31 March 2025	**49,900**	**-**	**49,900**
Net book value			
At 31 March 2025	**49,900**	**-**	**49,900**
At 31 March 2024	49,900	160,570	210,470

During the year, the charity obtained permission from the Charity Commission to reclassify the fixed asset investment from an endowment fund to unrestricted funds, this was then withdrawn from the investment portfolio and used for operational activities.

15. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office	Principal activity	Class of shares	Holding	Included in consolidation
Kendal Catering Company Limited	01064847	Brewery Arts, 122a Highgate, Kendal, Cumbria, England, LA9 4HE	Catering	Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Kendal Catering Company Limited	**863,479**	**(804,037)**	**59,442**	**50,000**

16. Stocks

	Group 2025 £	Group 2024 £
Finished goods and goods for resale	**16,580**	20,203

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

17. Debtors

	Group 2025 £	Group 2024 £	**Charity 2025 £**	Charity 2024 £
Due within one year				
Trade debtors	**12,689**	6,450	**12,689**	6,312
Amounts owed by group undertakings	**-**	-	**62,072**	19,688
Prepayments and accrued income	**27,038**	56,885	**26,768**	54,597
	39,727	63,335	**101,529**	80,597

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

18. Creditors: Amounts falling due within one year

	Group 2025 £	Group 2024 £	**Charity 2025 £**	Charity 2024 £
Bank overdrafts	**8,280**	73,750	**8,280**	73,750
Bank loans	**5,555**	33,333	**5,555**	33,333
Trade creditors	**55,039**	71,567	**38,350**	51,917
Amounts owed to group undertakings	**-**	-	**42,013**	5,563
Corporation tax	**808**	808	**-**	-
Other taxation and social security	**56,081**	52,037	**23,909**	29,743
Other creditors	**49,844**	45,555	**49,745**	45,114
Accruals and deferred income	**174,304**	185,821	**161,870**	173,122
	349,911	462,871	**329,722**	412,542

There is a charge in place for the bank loan by way of a first ranking debenture over all of the property and assets of the charity.

19. Creditors: Amounts falling due after more than one year

	Group 2025 £	Group 2024 £	**Charity 2025 £**	Charity 2024 £
Bank loans	**-**	5,556	**-**	5,556

There is a charge in place for the bank loan by way of a first ranking debenture over all of the property and assets of the charity.

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

20. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
Unrestricted funds					
Designated funds					
Buildings fund	1,544,113	-	(87,232)	-	1,456,881
General funds					
BISF	-	863,479	(742,358)	(59,441)	61,680
General Funds	(198,254)	1,688,931	(1,882,935)	220,011	(172,247)
	(198,254)	2,552,410	(2,625,293)	160,570	(110,567)
Total Unrestricted funds	1,345,859	2,552,410	(2,712,525)	160,570	1,346,314
Endowment funds					
BISF Permanent	160,570	-	-	(160,570)	-

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

20. Statement of funds (continued)

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
Restricted funds					
Centre Development	**173,474**	**-**	**(23,267)**	**-**	**150,207**
Our Digital Future	**454,796**	**-**	**(96,670)**	**-**	**358,126**
Cultural Cinema Programme	**-**	**18,500**	**(18,500)**	**-**	**-**
Strategic Cultural Partnerships	**-**	**67,500**	**(67,500)**	**-**	**-**
Learning & Engagement Programme	**4,812**	**400**	**(400)**	**-**	**4,812**
Screen 3	**-**	**48,000**	**(757)**	**-**	**47,243**
National Youth Foundation	**-**	**15,000**	**(15,000)**	**-**	**-**
	633,082	**149,400**	**(222,094)**	**-**	**560,388**
Total of funds	**2,139,511**	**2,701,810**	**(2,934,619)**	**-**	**1,906,702**

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

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted funds						
Designated funds						
Buildings fund	1,631,345	-	(87,232)	-	-	1,544,113
General funds						
General Funds - all funds	(121,699)	1,476,288	(1,618,318)	65,475	-	(198,254)
Trading	(17,668)	829,282	(746,139)	(65,475)	-	-
	(139,367)	2,305,570	(2,364,457)	-	-	(198,254)
Total Unrestricted funds	1,491,978	2,305,570	(2,451,689)	-	-	1,345,859
Endowment funds						
BISF Permanent	149,687	-	-	-	10,883	160,570

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

20. Statement of funds (continued)

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Restricted funds						
Centre Development	180,322	17,750	(24,598)	-	-	173,474
Our Digital Future	567,007	-	(112,211)	-	-	454,796
Cultural Recovery	-	22,500	(22,500)	-	-	-
Cultural Cinema Programme	-	20,000	(20,000)	-	-	-
Strategic Cultural Partnerships	-	67,500	(67,500)	-	-	-
Learning & Engagement Programme	-	9,812	(5,000)	-	-	4,812
	747,329	137,562	(251,809)	-	-	633,082
Total of funds	2,388,994	2,443,132	(2,703,498)	-	10,883	2,139,511

20. Statement of funds (continued)

Centre Development
The centre development fund represents donations and grants given to support the development of the centre.

Our Digital Future
The Our Digital Future fund represents donations and grants given to support the development of our Arts Centre and Cinema complex.

Cultural Recovery
The Cultural Recovery Fund represents a grant provided by Westmorland & Furness Council to support cultural organisations' recovery from the COVID pandemic and subsequent economic conditions.

Cultural Cinema Programme
The Cultural Cinema Programme represents grants given by the British Film Institute to support the cultural cinema programme.

Strategic Cultural Partnerships
The Strategic Cultural Partnerships represents grants given by South Lakeland District Council to deliver a broad and eclectic quality programme of cultural activity.

Learning & Engagement Programme
The Learning & Engagement Programme Fund represents grants given by various funders to directly support elements of the Learning & Engagement Programme.

Screen 3
A grant for upgrading and repurposing the Digital Lounge in to a third full time cinema, funded by the Clark Foundation, Cumberland Council & The Foyle Foundation.

National Youth Foundation
The National Youth Foundation Fund represents funds to run a youth music programme.

Transfers between funds
During the year, the charity obtained permission from the Charity Commission to reclassify the fixed asset investment from an endowment fund to unrestricted funds, this was then withdrawn from the investment portfolio and used for operational activities.

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

21. Summary of funds

Summary of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
Designated funds	**1,544,113**	**-**	**(87,232)**	**-**	**1,456,881**
General funds	**(198,254)**	**2,552,410**	**(2,625,293)**	**160,570**	**(110,567)**
Endowment funds	**160,570**	**-**	**-**	**(160,570)**	**-**
Restricted funds	**633,082**	**149,400**	**(222,094)**	**-**	**560,388**
	2,139,511	**2,701,810**	**(2,934,619)**	**-**	**1,906,702**

Summary of funds - prior year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Designated funds	1,631,345	-	(87,232)	-	-	1,544,113
General funds	(139,367)	2,305,570	(2,364,457)	-	-	(198,254)
Endowment funds	149,687	-	-	-	10,883	160,570
Restricted funds	747,329	137,562	(251,809)	-	-	633,082
	2,388,994	2,443,132	(2,703,498)	-	10,883	2,139,511

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	408,328	1,722,644	**2,130,972**
Current assets	152,060	(26,419)	**125,641**
Creditors due within one year	**-**	(349,911)	**(349,911)**
Total	560,388	1,346,314	**1,906,702**

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Endowment funds 2024 £	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	628,270	1,662,776	2,291,046
Fixed asset investments	160,570	-	-	160,570
Current assets	-	4,812	151,510	156,322
Creditors due within one year	-	-	(462,871)	(462,871)
Creditors due in more than one year	-	-	(5,556)	(5,556)
Total	160,570	633,082	1,345,859	2,139,511

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2025 £	Group 2024 £
Net expenditure for the year (as per Statement of Financial Activities)	**(232,809)**	(249,483)
Adjustments for:		
Depreciation charges	**217,264**	246,249
Dividends, interests and rents from investments	**(289)**	(4,293)
(Increase) in stocks	**3,623**	(3,047)
Decrease/(increase) in debtors	**22,847**	(45,021)
Increase/(decrease) in creditors	**(117,755)**	89,424
Fair value gain/(loss) in SOFA	**-**	(10,883)
Net cash provided by/(used in) operating activities	**(107,119)**	22,946

24. Analysis of cash and cash equivalents

	Group 2025 £	Group 2024 £
Cash in hand	**69,334**	72,784
Total cash and cash equivalents	**69,334**	72,784

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

25. Analysis of changes in net debt

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	**72,784**	**(3,450)**	**69,334**
Bank overdrafts repayable on demand	**(73,750)**	**65,470**	**(8,280)**
Debt due within 1 year	**(33,333)**	**27,778**	**(5,555)**
Debt due after 1 year	**(5,556)**	**5,556**	**-**
	(39,855)	**95,354**	**55,499**

26. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group by an independently administered fund (Royal London).

The pension cost charge represents contributions payable by the group to both funds and amounted to £26,355 (2024 - £25,110). At the balance sheet date there was £3,992 (2024 - £3,776) payable to the funds and included in creditors.

27. Operating lease commitments

At 31 March 2025 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £	Group 2024 £
Not later than 1 year	**4,616**	2,396
Later than 1 year and not later than 5 years	**1,383**	3,594
	5,999	5,990

28. Related party transactions

Related party transactions with Trustees are disclosed in note 13 of the financial statements.

There were no other related party transactions in the year.

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

England & Wales - Charity number 1086789

Accounts

Registered number: 03927101
Charity number: 1086789

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

ArmstrongWatson®

Accountants, Business & Financial Advisers

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED
(A company limited by guarantee)

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THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2024

Trustees	P L Whitehurst (resigned 24 September 2024) T R Clarke A Lawson D L Stevens S C H Poole (resigned 7 February 2024) A Senior (resigned 20 April 2024) N E Farrer (resigned 19 September 2024) S J Hunt S L H Newton (resigned 26 April 2024) L Chirwa (resigned 20 April 2024) K Walsh (appointed 19 June 2024) A Leather (appointed 19 June 2024) G Bullock (appointed 19 June 2024) P Dale (appointed 19 June 2024) A Emery (appointed 19 June 2024) C Pattinson (appointed 19 June 2024) J Hyland (appointed 19 June 2024)
Company registered number	03927101
Charity registered number	1086789
Registered office	Brewery Arts 122A Highgate Kendal Cumbria LA9 4HE
Company secretary	H Askew
Chief executive officer	M Randall
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants James Watson House Montgomery Way Rosehill Carlisle CA1 2UU
Bankers	Virgin Money Box 24 Business Direct 40 St Vincent Place Glasgow G1 2HL
Solicitors	Milne Moser Solicitors Westmorland House The Square Milnthorpe Cumbria LA7 7QJ

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees, who are also the directors of the charitable company ("the Charity") for the purposes of the Companies Act 2006, present their annual report on the affairs of the Charity, together with the financial statements and auditors' report, for the year ended 31 March 2024. The annual report and financial statements are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The reference and administrative information set out on page 1 forms part of this report. The financial statements have been prepared in accordance with the accounting policies set out in the notes and 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) (effective 1 January 2015).

Objectives and activities

The Charity's main objectives are:

- to promote, maintain, improve and advance education particularly by the encouragement of the Arts and Crafts and the formulation, preparation and establishment of schemes to render the Arts accessible to the public;
- to promote the education of children by encouraging an interest in and understanding of the Arts and by running play schools for young children;
- for any other charitable purposes tending to encourage interest in the Arts which may be conveniently promoted in combination with the aforesaid purpose and which may include permitting Old Age Pensioners to use the premises of the Charity for the purpose of recreation or other leisure-time activities with the object of improving their conditions of life; and,
- to promote for the benefit of the inhabitants of Kendal, the South Lakes and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the quality of life of the said inhabitants.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives. In particular, the Trustees consider how planned activities contribute to the aims and objectives. We are satisfied that each of our aims is charitable and that each is for public benefit, and we are confident that our activities are consistent with our objectives. The following paragraphs demonstrate that our activities deliver public benefit. While we rely on ticket sales as part of our income, we provide access at concessionary rates for performances and for classes wherever practicable.

The Charity exists to engage and inspire the community and future generations. Our mission is to enrich lives through culture and provide wide-ranging opportunities for creative participation in the arts

Public benefit

We provide public benefit by meeting our charitable aims, and this is done by presenting a diverse programme of live music, theatre, dance, comedy, visual arts, literature and film and in the provision of creative learning and engagement activities which are all available to, and enjoyed by, a wide audience in Kendal and the wider region. In 2023-24 our programme attracted over 130,000 people to our venue through our key programme strands: Live Performance; Creative Learning & Engagement; Cinema & Stage on Screen; Community Events; Festivals; and Exhibitions.

Strategic Report

Achievements and Performance

The main activities undertaken to meet our objectives and to deliver public benefit are summarised below.

a) Creative Learning & Community Engagement

Our Creative Learning & Engagement programme engages people of all ages, backgrounds and abilities in a range of artforms, including visual arts, dance, drama, music, literature and film. In 2023-24 we delivered a total of 1,126 creative learning sessions, with 11,215 attendances. Of this figure, 6,402 attendances were children and young people between the ages of 3-19 years. This included 3 week-long summer schools (1 week Performing Arts, 1 week Visual Arts and 1 week Music).

Our 60+ theatre company, Act Your Age, and our dance group, Mature Movers, also continued to thrive, with 977 attendances from people between the ages of 60-80 who enjoyed weekly classes in dance and drama. These groups also presented showcase performances, working with our engagement and production teams to share and celebrate their work with audiences in our theatre.

Classes throughout the year included Portrait Drawing, Pottery Throwing, Makers' Club, Young Actors, Get Moving, Creative Dance, Stage Stars and many others. Regular feedback demonstrates the wide range of positive impacts on the lives of our participants, who gain skills, confidence, wellbeing, social connection and pathways to further their training, careers or artistic practice.

b) Creative Learning Projects & Performances

Schools Dance Platform 2024: This annual event continues to be a highlight which in 2024 connected us with 25 schools for a week of performances by 620 young people. Feedback from teachers, parents, participants and freelance artists was outstanding.

Youth Arts Showcases: Young People within our performing arts strands participated in the Summer Showcase and the festive 'Snowstopper' performances, with 2 performances of each and a total audience of 442. There were parallel summer and winter showcase exhibitions featuring work produced by young people in our visual arts classes.

Regional Opportunities: To connect with the wider region, Mature Movers performed with their counterparts at Dance City in Newcastle whilst, our 11-14 year old dance group performed at the Northwest U-Dance festival at the Lowry in Manchester.

Verbalise: We presented monthly spoken word open mic events throughout the year, providing hybrid access to increase access for disabled people. We also support the Brewery Poets group who meet regularly with occasional public sharings.

c) Supported Community Events

We are proud to support a wide range of community events with discounted venue hire and facilities across the year, strengthening partnerships and serving the local community. The value of this in-kind support was over £20,000 in 2023-2024. Highlights from this strand of our programme include annual shows from Kendal College, Kirkbie Kendal School and Sedbergh School, whilst Queen Katherine School held their Arts evening with us. We also supported the Street Choir Festival and the first Kendal Pride event in 2023.

Youth Matters: Our partnership with the Brathay Trust continues to support activities for Youth Matters. This provides weekly sessions for young people aged 11-18 to meet and create events in our Warehouse. This has led to continued sessions and further activities which the young people have steered themselves, including at Kendal Pride in summer 2023.

d) Kendal Mountain Festival

We continued to expand our activities with Kendal Mountain Festival, welcoming approximately 9,000 visitors to our venue over the festival weekend in November. This included an expansive programme of adventure films, talks and a visual art exhibition. For the first time, there were also some live music events focussing on artists working with environmental themes.

e) Supported Artists & Exhibitions

During the year, we continued to support exceptional talent from the local area, and add value to the wider programme through pop-up exhibitions, workshops and public performances. This included development time in our theatre for Kendal-based musicians Hayden Thorpe and Jack McNeill, rehearsal time in the studio for Kyra Scott and a development sharing by Emily Woof of her new show Blizzard.

Exhibitions: We staged nine exhibitions throughout the year, featuring a range of visual art, sculpture, film and photography. Two were in partnership with Kendal Mountain Festival and The Wainwright Prize (with James Cropper PLC). We had a solo exhibition from photographer Daniel Cooper. We held the inaugural Brewery Open Exhibition featuring the work of 48 local artists, as well as in-house shows featuring work produced by our creative learning students and tutors. We estimate that approximately 24,000 people visited the galleries during this time.

f) Live Performance Programme

Our live performance programme takes place year-round and brings artists, musicians, performers and companies from across the world to enrich and entertain audiences from Kendal and beyond. In total, we presented 191 performances and events across music, theatre, dance, comedy and spoken word in 2023-24. This attracted over 37,000 people to our venue. Selected highlights are summarised below.

Live Music: presenting international names in contemporary rock, indie, folk, dance and world music. Highlights included Eliza Carthy & Jon Boden, The Oreilles, Rozi Plain, YolanDa Brown, Onipa, Karine Polwart, Jah Wobble & The Invaders of the Heart, The Elephant Sessions and others. Audiences for music continues to grow with 21,005 tickets across 90 gigs. These figures include the 3,024 people estimated to have attended our free Summer Sunday outdoor music events.

Theatre & Dance: We presented An Evening Without Kate Bush, Emergence Dance, Tapped and Victoria Melody. Family theatre continued to build with Tin Man, The Adventures of Little Red Hen, Alice's Adventures in Wonderland (Box Tale Soup) and Morgan and West's Massive Magic Show. We welcomed our largest Christmas show since before the pandemic, Stuff and Nonsense's The Gingerbread Man. Admissions during the reporting period hit 5,755 from 39 performances.

Comedy & Spoken Word: Our comedy programme continues to grow, attracting large audiences. Jason Byrne, Chris McCausland, Zoe Lyons, Suzi Ruffell, Ria Lina, Daliso Chaponda and Comedy Club 4 Kids were just some of the highlights. Over the autumn and winter, we have also had monthly sessions of our intimate comedy club. In terms of spoken word, we have welcomed to our stage the return of Dr John Cooper Clarke, along with shows from Roger McGough, Brian Bilston and An Evening with Mike Berners-Lee and Amy Bray. Including Verbalise mentioned earlier, the two strands comprised 29 performances, attracting a total audience of 6,024.

g) Cinema, Stage on Screen & Exhibition on Screen

Across the whole reported year, film screenings and the live streaming of cultural events received a total audience of 53,564 admissions across 1,645 screenings. In cinema, the programme features the broadest and most diverse range of films and live culture screenings in Cumbria, ranging from blockbuster titles such Barbie, Oppenheimer and Wonka to British, Independent and international film. Highlights included acclaimed first run releases such as The Zone of Interest, Anatomy of a Fall, Saltburn, The Nettle Dress and Past Lives. Archive features presented included BFI Cinema Unbound: The Films of Powell and Pressburger, The Rocky Horror Picture Show (1974), Talking Heads: Stop Makin Sense (1983), Laural and Hardy Silent Shorts with Q&A (1927), and The Cat and Canary (1927) with live music accompaniment. We closed the financial year with a showcase

of 8 titles over 10 screenings of The Japan Foundation Touring Film Programme. Brewery Arts has been a strong supporter of this programme over a number of years. Our new monthly Film Club continues to grow providing opportunities for film enthusiasts to learn and discuss the cultural aspects of cinema with our team and each other.

We have continued to feature a strong Stage on Screen programme within our offer, headlined by live streamed and encore performances from National Theatre Live (including Dear England, Yerma and GOOD), The Royal Opera House, The Royal Ballet and others. We also featured Exhibition on Screen (including Vermeer: The Blockbuster Exhibition, and Klimt and the Kiss). In total, we received a total audience of 5,442 across 101 screenings.

We also partnered with others to present films and wraparound events that celebrate diversity and increase access for all, with Cumbria Deaf Association, South Lakes Action for Climate Change, Carer Support South Lakes and Brathay Trust/Youth Matters.

Pay it Forward Free Cinema Ticket Scheme Launched: As part of our inclusion strategy, last Autumn we launched a Pay It Forward donation scheme where our audiences and supporters can donate money towards free cinema tickets for young people and families supported by our community partners, Action for Children and Carer Support South Lakes. The response from our supporters has been very generous and we had issued 220 ticket vouchers by the end of March 2024.

h) Creative & Visitor Economy

We leveraged national funding and contributed to local, regional and national strategic initiatives and groups, to benefit the creative and visitor economy of South Lakeland, Westmorland and Furness.

We maintained strategic partnerships with Arts Council England, including renewing our three year NPO status, and with British Film Institute, Future Arts Centres, Film Hub North, Venues North, Music Venues Trust, Cumbria LEP, Cumbria Arts & Culture Network, Cumbria Tourism and Kendal Futures.

We continued to actively contribute to county-wide programmes and plans, including the new Cumbria-wide Helping Hands volunteering project which was led by Cumbria Museums Consortium as part of a national initiative.

We continued to build a stronger role in talent development for young artists and creatives living in South Lakeland and wanting to benefit from our facilities and networks. We also explored the potential of expanding our work to include a new hub for talent development and creative production in film, music and digital media. This work has reinforced the need to build stronger partnerships with key skills providers Kendal College and University of Cumbria as the first step to any new ventures of scale. We continued to develop our relationships with Westmorland & Furness Council and Kendal Town Council, supporting the development of new strategic plans by the newly formed Westmorland & Furness Council and delivering activities to support council strategic aims of ensuring the county is a great place to live, work, learn and create.

The Operating Context for Cultural Organisations in the UK

In recent years, cultural organisations across the UK have been severely impacted by challenging economic conditions and changes in audience behaviour. This has resulted in many organisations utilising reserves, redefining business models, relocating, or even closing permanently. The State of the Arts* report published in 2024 states the following key findings:

Between 2009-10 and 2022-23, per person in real terms:

- Local government revenue funding of culture and related services decreased by 29% in Scotland, 40% in Wales and 48% in England, alongside rising cost and demand pressures on statutory services (especially social care).
- The Department for Culture, Media and Sport (DCMS) core funding of cultural organisations decreased by 18% to only 0.17% of total public spending per person.
- The Arts Councils' core Government funding decreased by 18% in England, 22% in Scotland, 25% in Wales and 66% in Northern Ireland.

NPO organisations were supported with recovery funding during the pandemic. However, recovery between 2022-24 has been compounded by the cost of living crisis and increased competition for funds. In 2023-24 the steep rising costs of energy and national living wage increases were further compounded by cinema industry strikes and increased competition from streaming platforms. While the outlook for 2024-25 is more promising, it is clear that the conditions remain challenging.
*Citation: Campaign for the Arts & University of Warwick, The State of the Arts, Campaign for the Arts & Centre for Cultural and Media Policy Studies, University of Warwick, July 2024

Financial review

We are grateful to key funders, Arts Council England, Westmorland & Furness Council, Kendal Town Council and BFI Film Hub North, for their continued support to help us maintain the valuable work we do. We are also grateful for the continued support received from the Brewery Arts Centre Endowment Trust and a range of other Trusts and foundations.

Our wholly-owned subsidiary, Kendal Catering Company Limited ('KCC'), operates the food, drink and car park activities within The Brewery site. This is an important part of our 'offer' to people attending all of our venues. In 2023-24 KCC made a profit and was able to make a donation of £65,475 to the parent charity after clearing its historic loss.

Economic pressures, including inflationary price rises, cost of living crisis and increased pressure on the funding landscape meant that it was not possible to generate an unrestricted surplus in the 2023-24 year.

Restricted Funds saw net expenditure of £114,247, with this decrease representing the impact of restricted assets' depreciation charge to the Restricted Funds.

The Designated Fund (unrestricted) saw net expenditure of £87,232 which represented the impact of designated assets' depreciation on the Designated Fund.

The General Unrestricted Fund saw net expenditure of £58,887 which increased the deficit level. The deficit stands at £198,254 at 31 March 2024.

The overall plan continues to be the reduction of the General Unrestricted Fund deficit over the next three years. To support this the Trustees have agreed to release the permanent endowment to support the operational requirements of the organisation and reduce the historic deficit. The impact of this will be shown in the 2024-25 accounts.

A funding agreement is in place from Arts Council England as part of their National Portfolio until 2026-2027 and support also continues from the Brewery Arts Centre Endowment Trust, Westmorland & Furness Council, Kendal Town Council and the British Film Institute.

Investment policy and performance

The Trustees' investment powers are governed by the Articles of Association, which permits the Charity's funds to be invested as the Trustees see fit and in a manner which is beneficial for the achievement of the Charity's objects.

During the year, the Charity invested endowment funds which were donated to it for the express purpose of generating income to further its objectives.

The investment vehicle with Rathbones offered a diverse investment portfolio, guaranteed index performance, and was a cost effective way of maintaining equity market exposure for the Charity.

Risk management

The Trustees regularly review the risks to which the Charity is exposed. The Charity follows accepted health and safety procedures in all its activities to minimise the likelihood of harm to staff, performers, volunteers and visitors to the Arts Centre. The Trustees consider that, as far as is currently practical, suitable systems, internal controls and insurances are in place to mitigate risks.

Financial sustainability continues to be the highest risk for the Charity, with unrestricted funds in deficit. The Charity does not hold significant levels of reserves to support volatility in financial performance. The business plan includes a financial strategy to reduce this historic deficit, whilst continuing to meet our charitable aims and the aims of our funders.

Reserves policy

Total funds at 31 March 2024 amounted to £2,139,511 of which £793,652 were held in endowment and restricted funds and are therefore not available for the general purposes of the Charity. The designated funds amounted to £1,544,113, representing the net book value of the buildings acquired with unrestricted funds. Other than depreciation, no material expenditure is expected from the buildings designated fund in the forthcoming year.

General unrestricted funds were in deficit at 31 March 2024 at £198,254, a decline of £58,887 on the opening position.

The Trustees have reviewed the reserves policy and consider that the level of free reserves (that is those items not tied up in fixed assets and restricted funds) required to sustain its operations should be equivalent to three months' worth of annual expenditure on support costs and overheads (25% of budget). The reserves are needed to meet the working capital requirements of the Charity. The current reserves target is £276,852. Free reserves are currently £0 but the Charity's financial strategy aims to build reserves incrementally year-on-year and to reach target within the next five years.

The strategy for building reserves is as follows:

1. to strengthen the business model, increase commercial profitability, widen private and grant income streams and secure the future development of the Charity;
2. to set operating budgets that generate annual cash surpluses for reinvestment in the Charity; and
3. to maximise income generation opportunities and the return on investment for all activities, and through appeals and fundraising.

This will be achieved by:

- implementing the reviewed artistic, engagement and marketing strategies in the Business Plan;
- implementing the financial strategies led by the Finance Director;
- monitoring data each week to review progress against financial and audience targets, and adjusting activities accordingly;
- regularly reviewing pricing levels for arts, cinema, education and all other activities;
- maintaining tight control of costs;
- ensuring that all working procedures and staffing levels are economic and efficient; and
- broadening the funding base of the Charity by seeking new partnerships and new sources of grant funding, sponsorship, legacies and donations.

Plans for future periods

In 2024-25 we will continue to increase audience engagement with our artistic and participatory programmes, increase revenue on cultural and commercial activity, and generate more private income from a wider variety of sources. Our overall target for the Business Plan is to consolidate our finances so that we can achieve positive unrestricted undesignated reserves by 2026.

Over the next three years we will work towards the following main aims.

- **Programme:** Increase the scale, impact and distinctiveness of the presented programme.
- **Engagement:** Diversify the engagement programme to increase social and economic impact.
- **Audiences:** Broaden audiences and communities to deepen dialogue, reach and impact.
- **Finance:** Strengthen the financial model of the organisation to secure long term sustainability.
- **Operations:** Develop the building, operations and teams to ensure sustainability and resilience.

In 2024-25, we will prioritise the following specific areas of work:

- increase public benefit and the profile and reach of the organisation, by presenting a distinctive, ambitious and high-quality programme on stage and screen, with dynamic audience development strategies and exceptional customer service;
- review our engagement programmes to ensure our work is competitive, inclusive and contemporary, providing exceptional quality and relevant programmes developed in tandem with the community;
- continue to build our donor base, implementing new campaigns and mechanisms for giving, and refreshing the membership scheme and sponsorship strategies;
- develop and diversify the Board and form a new sub-committee to support income generation through donations and major gifts;
- seek core funding from Trusts and foundations to increase our resilience and expand our artist support programmes;
- seek capital funding to maximise our facilities, maintain the building and improve its energy efficiency;
- deliver two funded music programmes as part of our Future Creatives talent development programme and other engagement activities;
- be data led so that we keep progress against targets under close review, and act responsively according to internal and external patterns and trends;
- continue to provide an exceptional hospitality offer to service all visitors, placing great customer service at the heart of the visitor experience;
- improve the evaluation programme so that we know more about the people we serve and the impact we have;
- deliver a comprehensive staff training and development programme; and
- deliver our Environmental Action Plan

Structure, governance and management

a) Governing Document

The Charity is a company limited by guarantee and a registered charity. It is governed by its Memorandum and Articles of Association which were updated by special resolution on 14 February 2006.

b) Recruitment and Appointment of Trustees

The Trustees are elected by the company in accordance with the Articles of Association. One Trustee resigned during the year. The trustees who served during the year are set out on page 1. Five further Trustees resigned and seven new Trustees were appointed post year end.

c) Trustee Induction and Training

An induction pack is available to any new trustee which includes a copy of the Memorandum and Articles of Association, a summary of the Charity's objectives, a copy of the Charity Commission's guide on the duties of a trustee and the most recent financial statements.

d) Organisational Structure

The Charity has a wholly owned subsidiary, Kendal Catering Company Limited, which manages the provision of bar, catering and car parking facilities within the Arts Centre and at other outlets. The Board of Kendal Catering Company meets regularly to oversee the work of this company.

The Trustees have regular access to information regarding the programme and financial performance of the charity and meet at least every quarter. The Board has a Finance Sub-Committee and other ad hoc committees/working groups are set up to consider specific issues where needed. All Trustees' meetings and committee meetings are attended by the Chief Executive and the Finance Director.

Our key funders are all invited to send observers to the Trustees' Meetings. These funders are: Arts Council England, Westmorland & Furness Council and Kendal Town Council.

e) Fundraising methodology

Whilst the majority of the Charity's income is generated through its charitable activities, it is also reliant on grants and voluntary donations to enable it to deliver its high-quality, diverse artistic programme.

The majority of this income is provided by way of grants from arts funders (primarily Arts Council England), local government (Westmorland & Furness Council and Kendal Town Council), the Brewery Arts Centre Endowment Trust (an independent Trust set up to support Brewery Arts), and other grant-awarding bodies on an ad-hoc basis. A relatively small amount of donations is received from people attending events and from the general public.

As this additional income is critical to the on-going development of The Brewery, the Charity employs one member of staff dedicated to fundraising, primarily through making grant applications. During the financial year, the Charity was not subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising, in respect of activities on behalf of the Charity. However, the activities of the Fundraising Manager are monitored by the Finance Director, to ensure that they are in-line with internal policies and procedures.

The Charity did not receive any complaints during the year concerning the Charity's fundraising activities.

The Charity is committed to protecting vulnerable people and other members of the public from the following behaviour in the course of, or in connection with, its fundraising activities:

- unreasonable intrusion on a person's privacy;
- unreasonably persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the Charity;
- placing undue pressure on a person to give money or other property.

f) Key management personnel remuneration

The Trustees consider the board of Trustees, the Chief Executive and the Finance Director as comprising the key management personnel of the Charity in charge of directing and controlling the Charity and running and operating the Charity on a day-to-day basis. The remuneration paid to the Chief Executive and Finance Director and the expenses reimbursed to them are disclosed in note 12 to the financial statements. The Trustees give their time freely and no Trustee remuneration was paid to them during the year.

Trustees are required to disclose all relevant interests to other Trustees and withdraw from decisions where a conflict of interest arises. Details of related party transactions are disclosed in note 25 to the financial statements. Any benefit received by Trustees, staff and volunteers is purely incidental to the objects of the Charity.

An annual pay review across the Group took review took place during the year and was approved by the Trustees. The review considered the impact of the National Living Wage rise and being able to maintain appropriate differentials in pay levels right through the overall structure.

Statement of Trustees' responsibilities

The Trustees (who are also directors of the Kendal Brewery Arts Centre Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the 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 financial year, which give a true and fair view of the state of affairs of the group and the charitable company and of the group's incoming resources and application of resources, including the income and expenditure, of the group for the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

(a) so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
(b) they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....

T R Clarke
(Chair of Trustees)
Date: 25.9.24

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

Opinion

We have audited the financial statements of The Kendal Brewery Arts Centre Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2024 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with Trustees and other management, and from our commercial knowledge and experience of the not for profit sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED (CONTINUED)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Karen Rae.

Karen Rae (Senior statutory auditor)

Armstrong Watson Audit Limited
Chartered Accountants

Date: 7 October 2024

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

(A company limited by guarantee)

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

	Note	Endowment funds 2024 £	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income and endowments from:						
Donations and legacies	3	-	137,562	481,162	618,724	698,103
Charitable activities	4	-	-	990,835	990,835	721,086
Other trading activities	5	-	-	829,281	829,281	683,016
Investments	6	-	-	4,293	4,293	3,304
Total income and endowments		-	137,562	2,305,571	2,443,133	2,105,509
Expenditure on:						
Raising funds and other trading expenses	7/8	-	-	735,309	735,309	656,662
Charitable activities	9	-	251,809	1,715,573	1,967,382	1,791,988
Total expenditure		-	251,809	2,450,882	2,702,691	2,448,650
Net expenditure before net gains/(losses) on investments		-	(114,247)	(145,311)	(259,558)	(343,141)
Net gains/(losses) on investments		10,883	-	-	10,883	(4,407)
Net income/(expenditure) before taxation		10,883	(114,247)	(145,311)	(248,675)	(347,548)
Taxation		-	-	(808)	(808)	-
Net movement in funds		10,883	(114,247)	(146,119)	(249,483)	(347,548)
Reconciliation of funds:						
Total funds brought forward		149,687	747,329	1,491,978	2,388,994	2,736,542
Net movement in funds		10,883	(114,247)	(146,119)	(249,483)	(347,548)
Total funds carried forward		160,570	633,082	1,345,859	2,139,511	2,388,994

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 03927101

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024

	Note		2024 £		2023 £
Fixed assets					
Tangible assets	14		**2,291,046**		2,465,179
Investments	15		**160,570**		249,687
			2,451,616		2,714,866
Current assets					
Stocks	16	**20,203**		17,155	
Debtors	17	**63,335**		34,958	
Cash at bank and in hand		**72,784**		50,996	
		156,322		103,109	
Creditors: amounts falling due within one year	18	**(462,871)**		(390,092)	
Net current assets / Liabilities			**(306,549)**		(286,983)
Total assets less current liabilities			**2,145,067**		2,427,883
Creditors: amounts falling due after more than one year	19		**(5,556)**		(38,889)
Total net assets			**2,139,511**		2,388,994

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Charity funds			
Endowment funds	20	**160,570**	149,687
Restricted funds	20	**633,082**	747,329
Unrestricted funds	20	**1,345,859**	1,491,978
Total funds		**2,139,511**	2,388,994

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

T R Clarke
Chair of Trustees
Date: 25.9.24

The notes on pages 22 to 44 form part of these financial statements.

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 03927101

CHARITY BALANCE SHEET
AS AT 31 MARCH 2024

	Note		2024 £		2023 £
Fixed assets					
Tangible assets	14		**2,265,772**		2,457,972
Investments	15		**210,470**		299,587
			2,476,242		2,757,559
Current assets					
Debtors	17	**80,597**		34,398	
Cash at bank and in hand		**770**		770	
		81,367		35,168	
Creditors: amounts falling due within one year	18	**(412,542)**		(347,175)	
Net current assets / Liabilities			**(331,175)**		(312,007)
Total assets less current liabilities			**2,145,067**		2,445,552
Creditors: amounts falling due after more than one year	19		**(5,556)**		(38,889)
Total net assets			**2,139,511**		2,406,663

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Charity funds			
Endowment funds	20	**160,570**	149,687
Restricted funds	20	**633,082**	747,330
Unrestricted funds	20	**1,345,859**	1,509,646
Total funds		**2,139,511**	2,406,663

The Charity's net movement in funds for the year was £-267,152 *(2023 - £-378,398)*.

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
T R Clarke
Chair of Trustees
Date: 25.9.24.

The notes on pages 22 to 44 form part of these financial statements.

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Cash flows from operating activities		
Net cash used in operating activities	**22,946**	(15,141)
Cash flows from investing activities		
Dividends, interests and rents from investments	**4,290**	3,304
Purchase of tangible fixed assets	**(72,115)**	(31,814)
Proceeds from sale of investments	**100,000**	-
Purchase of investments	**-**	(254,094)
Net cash provided by/(used in) investing activities	**32,175**	**(282,604)**
Cash flows from financing activities		
Repayments of borrowing	**(33,333)**	(33,333)
Net cash used in financing activities	**(33,333)**	**(33,333)**
Change in cash and cash equivalents in the year	**21,788**	**(331,078)**
Cash and cash equivalents at the beginning of the year	**50,996**	382,074
Cash and cash equivalents at the end of the year	**72,784**	50,996

The notes on pages 22 to 44 form part of these financial statements

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

1. General information

The Kendal Brewery Arts Centre Trust Limited is a company limited by guarantee and accordingly does not have a share capital, registered in England and Wales. Every member of the company undertakes to contribute £10 in the event of the charitable company being wound up while he or she is a member.

The company number, charity number and address of the Registered Office are given in the reference and administration information on page 1 of these financial statements. The principal nature of the charity's operations is to promote for the benefit of the inhabitants of Kendal, the South Lakes and the surrounding area the provision of facilities for arts, education, recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances and for the public at large in the interests of social welfare and with the object of improving the quality of life of the said inhabitants.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Kendal Brewery Arts Centre Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

The financial statements have been prepared on a going concern basis. Whilst the economic landscape continues to be challenging for sector in general and Kendal Brewery Arts in particular, the Trustees believe that they can adopt the going concern basis in the preparation of the annual accounts. The Trustees have reviewed and considered relevant information, including annual budget, performance in Q1 of 2024-25, updated forecast and future cashflows in making their assessment. The following information has been key to this process.

- The charity owns its building and land.
- The charity has released endowment funds to reduce the historic deficit during the 2024-25 financial year.
- Operating and Capital Budgets for future years have been designed to generate cash positive balances, including surplus balances for the subsidiary company.
- In response to the current economic climate the Trustees have tested their cash flow analysis to take into account possible impacts alongside mitigations that could be taken.
- Arts Council England funding has been secured for a further three years from 2024-27.
- Local Authority funding has been secured for a further year from 2024-25.
- BFI has confirmed continued annual strategic partnership funding from 2024-25.

2. Accounting policies (continued)

2.2 Going concern (continued)

- Key clients Kendal Mountain Festival, Kendal College, Brathay Trust and a range of schools, have confirmed the charity as their venue and programme partner for 2024-25.
- Confirmed programme for 2024-25 includes a year-round schedule of internationally renowned acts in music, comedy, theatre.

The Trustees have concluded that the latest forecast shows they can continue to adopt the going concern basis in preparing the annual report and accounts.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Activity income is included when receivable. Any income received in advance of a performance or the provision of another service is deferred until the criteria for income are met.

Catering activities are carried out by Kendal Catering Company Limited whose profits are payable to The Kendal Brewery Arts Centre Trust Limited via a distribution if there are sufficient reserves to do so. The income is included when receivable.

In accordance with the Charities SORP (FRS 102) the general volunteer time is not recognised as income. The Trustees' annual report contains information regarding their contribution.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

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

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%
Plant and machinery	-	10%
Fixtures, fittings & bar equipment	-	10%
Computer equipment	-	25%

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Debtors

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

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2. Accounting policies (continued)

2.13 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.14 Financial instruments

The Group 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.

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The group also operated a defined benefits pension scheme as a member of the Cumbria Local Government Pension Scheme. This is a multi-employer defined benefit scheme and the assets are held separately from those of the charity. The last member of this scheme ceased employment in 2020 and the charity's share of the scheme's assets and liabilities have been identified via a termination summary paper. The scheme has been settled in the financial year and no further payments to the scheme will be made.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

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 are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

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

3. Income from donations and legacies

	Endowment funds 2024 £	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Grants					
Arts Council - NPO	-	-	327,776	**327,776**	327,776
Arts Council - Cultural Recovery	-	-	-	**-**	35,670
Arts Council - ODF	-	-	-	**-**	50,000
South Lakeland District Council	-	-	-	**-**	67,500
Westmorland and Furness Council (SCP)	-	67,500	-	**67,500**	-
Westmorland and Furness Council (Dance Platform)	-	5,000	-	**5,000**	-
Westmorland and Furness Council (NPO support)	-	-	10,000	**10,000**	-
Westmorland and Furness Council (additional Support)	-	22,500	-	**22,500**	-
Brewery Arts Centre Endowment Trust	-	-	116,000	**116,000**	124,073
Cumbria County Council	-	-	-	**-**	10,000
Kendal Town Council	-	-	10,000	**10,000**	10,000
Film Hub North	-	20,000	-	**20,000**	29,000
Anonymous	-	17,750	-	**17,750**	-
Cumbria Community Foundation (Engagement)	-	4,812	-	**4,812**	-
Sir John Fisher Foundation	-	-	-	**-**	2,400
Kendal Town Council (Dance Platform)	-	-	-	**-**	1,000
Cumbria County Council (Engagement Programme)	-	-	-	**-**	5,085
Rayne Foundation (Engagement Programme)	-	-	-	**-**	12,244
Other Grant Income	-	-	550	**550**	550
Subtotal detailed disclosure	-	137,562	464,326	**601,888**	675,298
Donations	-	-	16,836	**16,836**	22,805
Subtotal	-	-	16,836	**16,836**	22,805
	-	137,562	481,162	**618,724**	698,103
Total 2023	340	182,170	515,593	698,103	

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

4. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Cinema	298,912	**298,912**	251,610
Stage on Screen	62,932	**62,932**	28,383
Adult Education	65,114	**65,114**	58,957
Youth Education	51,492	**51,492**	44,118
Theatre/Dance/Literature	63,236	**63,236**	34,300
Music	224,715	**224,715**	153,318
Comedy	67,419	**67,419**	38,957
Other Income	157,015	**157,015**	111,443
	990,835	**990,835**	721,086

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Bar & catering	775,893	**775,893**	648,475
Car park income	49,473	**49,473**	30,384
Other income	3,915	**3,915**	4,157
	829,281	**829,281**	683,016

6. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from local listed investments	4,293	**4,293**	3,304

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

7. Expenditure on raising funds

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Expenditure on raising voluntary income			
Wages and salaries	24,151	**24,151**	31,637
National Insurance	1,875	**1,875**	4,010
Pensions	493	**493**	1,116
Direct costs	5	**5**	910
Support costs	4,240	**4,240**	4,051
	30,764	**30,764**	41,724

8. Other trading expenses

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Cost of sales	287,543	**287,543**	245,856
Administration expenses	79,403	**79,403**	56,960
Administration staff costs	328,567	**328,567**	306,640
Depreciation	1,997	**1,997**	2,283
Car park costs	7,035	**7,035**	3,199
	704,545	**704,545**	614,938

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

9. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2024 £	Unrestricted funds 2024 £	**Total 2024 £**	Total 2023 £
Cinema	20,000	369,508	**389,508**	329,673
Stage on screen	-	92,382	**92,382**	69,686
Live events	22,500	589,689	**612,189**	529,093
Creative learning	22,500	161,902	**184,402**	172,522
Education & Outreach	27,500	166,992	**194,492**	177,742
Support costs	159,309	335,100	**494,409**	513,271
	251,809	1,715,573	**1,967,382**	1,791,987
Total 2023	240,408	1,551,579	1,791,987	

10. Analysis of expenditure by activities

	Activies undertaken directly 2024 £	Support costs 2024 £	**Total 2024 £**	Total 2023 £
Cinema	170,860	218,647	**389,507**	329,673
Stage on screen	37,469	54,914	**92,383**	69,686
Live events	294,003	318,186	**612,189**	529,093
Creative learning	83,229	101,173	**184,402**	172,522
Education & Outreach	33,860	160,632	**194,492**	177,742
Support costs	-	494,409	**494,409**	513,271
	619,421	1,347,961	**1,967,382**	1,791,987
Total 2023	485,297	1,306,690	1,791,987	

11. Auditors' remuneration

The auditors' remuneration amounts to an audit fee of £16,480 (2023 - £15,500), and financial statement preparation fees of £4,950 (2023 - £4,725).

12. Staff costs

	Group 2024 £	Group 2023 £	**Charity 2024 £**	Charity 2023 £
Wages and salaries	**1,054,081**	1,006,073	**746,420**	719,576
Social security costs	**67,603**	67,714	**51,971**	52,858
Contribution to defined contribution pension schemes	**25,110**	24,297	**19,836**	19,010
	1,146,794	1,098,084	**818,227**	791,444

The average number of persons employed by the Group during the year was as follows:

	Group 2024 No.	Group 2023 No.	**Charity 2024 No.**	Charity 2023 No.
Administration and management	**9**	11	**9**	11
Bar and catering	**27**	24	**-**	-
Support	**15**	15	**15**	15
Activity	**16**	15	**16**	15
	67	65	**40**	41

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity comprise the Trustees the Chief Executive and the Director of Finance. The total employee benefits of the key management personnel including any employer pension contributions were £117,105 (2023 - £107,570).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £520).

During the year ended 31 March 2024, expenses totalling £18 were reimbursed or paid directly to one Trustee (2023 - £888).

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

14. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2023	4,361,614	17,205	866,041	268,387	5,513,247
Additions	-	20,064	37,428	14,624	72,116
Disposals	-	(1,095)	(1,733)	(2,330)	(5,158)
At 31 March 2024	4,361,614	36,174	901,736	280,681	5,580,205
Depreciation					
At 1 April 2023	2,592,774	9,998	297,202	148,094	3,048,068
Charge for the year	87,232	1,997	89,194	67,826	246,249
On disposals	-	(1,095)	(1,733)	(2,330)	(5,158)
At 31 March 2024	2,680,006	10,900	384,663	213,590	3,289,159
Net book value					
At 31 March 2024	1,681,608	25,274	517,073	67,091	2,291,046
At 31 March 2023	1,768,840	7,207	568,839	120,293	2,465,179

14. Tangible fixed assets (continued)

Charity

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2023	4,361,614	866,041	268,387	5,496,042
Additions	-	37,428	14,624	52,052
Disposals	-	(1,733)	(2,330)	(4,063)
At 31 March 2024	4,361,614	901,736	280,681	5,544,031
Depreciation				
At 1 April 2023	2,592,774	297,202	148,094	3,038,070
Charge for the year	87,232	89,194	67,826	244,252
On disposals	-	(1,733)	(2,330)	(4,063)
At 31 March 2024	2,680,006	384,663	213,590	3,278,259
Net book value				
At 31 March 2024	1,681,608	517,073	67,091	2,265,772
At 31 March 2023	1,768,840	568,839	120,293	2,457,972

15. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 April 2023	249,687
Disposals	(100,000)
Revaluations	10,883
At 31 March 2024	160,570
Net book value	
At 31 March 2024	160,570
At 31 March 2023	249,687

Charity	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2023	49,900	249,687	299,587
Disposals	-	(100,000)	(100,000)
Revaluations	-	10,883	10,883
At 31 March 2024	49,900	160,570	210,470
Net book value			
At 31 March 2024	49,900	160,570	210,470
At 31 March 2023	49,900	249,687	299,587

Subsequent to year end date the charity obtained permission from the Charity Commission to reclassify the fixed asset investment from an endowment fund to unrestricted funds.

15. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
Kendal Catering Company Limited	01064847	Brewery Arts, 122a Highgate, Kendal, Cumbria, England, LA9 4HE	Catering

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Kendal Catering Company Limited	843,758	(760,615)	83,143	50,000

16. Stocks

	Group 2024 £	Group 2023 £
Finished goods and goods for resale	20,203	17,155

17. Debtors

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Due within one year				
Trade debtors	6,450	6,982	6,312	6,730
Amounts owed by group undertakings	-	-	19,688	-
Prepayments and accrued income	56,885	27,976	54,597	27,668
	63,335	34,958	80,597	34,398

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

18. Creditors: Amounts falling due within one year

	Group 2024 £	Group 2023 £	**Charity 2024 £**	Charity 2023 £
Bank overdrafts	**73,750**	2,120	**73,750**	2,120
Bank loans	**33,333**	33,333	**33,333**	33,333
Trade creditors	**71,567**	65,955	**51,917**	43,525
Amounts owed to group undertakings	**-**	-	**5,563**	4,090
Corporation tax	**808**	-	**-**	-
Other taxation and social security	**52,037**	101,831	**29,743**	87,706
Other creditors	**45,555**	40,753	**45,114**	40,152
Accruals and deferred income	**185,821**	146,100	**173,122**	136,249
	462,871	390,092	**412,542**	347,175

There is a charge in place for the bank loan by way of a first ranking debenture over all of the property and assets of the charity.

19. Creditors: Amounts falling due after more than one year

	Group 2024 £	Group 2023 £	**Charity 2024 £**	Charity 2023 £
Bank loans	**5,556**	38,889	**5,556**	38,889

There is a charge in place for the bank loan by way of a first ranking debenture over all of the property and assets of the charity.

20. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted funds						
Designated funds						
Buildings fund	1,631,345	-	(87,232)	-	-	1,544,113
General funds						
General Funds - all funds	(121,699)	1,476,288	(1,618,318)	65,475	-	(198,254)
Trading	(17,668)	829,282	(746,139)	(65,475)	-	-
	(139,367)	2,305,570	(2,364,457)	-	-	(198,254)
Total Unrestricted funds	1,491,978	2,305,570	(2,451,689)	-	-	1,345,859
Endowment funds						
BISF Permanent	149,687	-	-	-	10,883	160,570

20. Statement of funds (continued)

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Restricted funds						
Centre Development	180,322	17,750	(24,598)	-	-	173,474
Our Digital Future	567,007	-	(112,211)	-	-	454,796
Cultural Recovery	-	22,500	(22,500)	-	-	-
Cultural Cinema Programme	-	20,000	(20,000)	-	-	-
Strategic Cultural Partnerships	-	67,500	(67,500)	-	-	-
Learning & Engagement Programme	-	9,812	(5,000)	-	-	4,812
	747,329	137,562	(251,809)	-	-	633,082
Total of funds	2,388,994	2,443,132	(2,703,498)	-	10,883	2,139,511

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
Designated funds						
Buildings fund	1,733,761	-	(102,416)	-	-	1,631,345
General funds						
General Funds - all funds	(148,021)	1,239,983	(1,453,661)	240,000	-	(121,699)
Trading	(48,520)	683,016	(652,164)	-	-	(17,668)
	(196,541)	1,922,999	(2,105,825)	240,000	-	(139,367)
Total Unrestricted funds	1,537,220	1,922,999	(2,208,241)	240,000	-	1,491,978
Endowment funds						
BISF Permanent	253,754	340	-	(100,000)	(4,407)	149,687
BISF Expendable	140,001	-	(1)	(140,000)	-	-
	393,755	340	(1)	(240,000)	(4,407)	149,687

20. Statement of funds (continued)

Restricted funds						
Centre Development	212,012	-	(31,690)	-	-	180,322
Our Digital Future	629,225	50,000	(112,218)	-	-	567,007
Cultural Recovery	(35,670)	35,670	-	-	-	-
Cultural Cinema Programme	-	29,000	(29,000)	-	-	-
Strategic Cultural Partnerships	-	67,500	(67,500)	-	-	-
	805,567	182,170	(240,408)	-	-	747,329
Total of funds	2,736,542	2,105,509	(2,448,650)	-	(4,407)	2,388,994

Centre Development
The centre development fund represents donations and grants given to support the development of the centre.

Our Digital Future
The Our Digital Future fund represents donations and grants given to support the development of our Arts Centre and Cinema complex.

Cultural Recovery
The Cultural Recovery Fund represents a grant provided by Westmorland & Furness Council to support cultural organisations' recovery from the COVID pandemic and subsequent economic conditions.

Cultural Cinema Programme
The Cultural Cinema Programme represents grants given by the British Film Institute to support the cultural cinema programme.

Strategic Cultural Partnerships
The Strategic Cultural Partnerships represents grants given by South Lakeland District Council to deliver a broad and eclectic quality programme of cultural activity.

Learning & Engagement Programme
The Learning & Engagement Programme Fund represents grants given by various funders to directly support elements of the Learning & Engagement Programme.

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

21. Summary of funds

Summary of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Designated funds	**1,631,345**	**-**	**(87,232)**	**-**	**-**	**1,544,113**
General funds	**(139,367)**	**2,305,570**	**(2,364,457)**	**-**	**-**	**(198,254)**
Endowment funds	**149,687**	**-**	**-**	**-**	**10,883**	**160,570**
Restricted funds	**747,329**	**137,562**	**(251,809)**	**-**	**-**	**633,082**
	2,388,994	**2,443,132**	**(2,703,498)**	**-**	**10,883**	**2,139,511**

Summary of funds - prior year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Designated funds	1,733,761	-	(102,416)	-	-	1,631,345
General funds	(196,541)	1,922,999	(2,105,825)	240,000	-	(139,367)
Endowment funds	393,755	340	(1)	(240,000)	(4,407)	149,687
Restricted funds	805,567	182,170	(240,408)	-	-	747,329
	2,736,542	2,105,509	(2,448,650)	-	(4,407)	2,388,994

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Endowment funds 2024 £	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	628,270	1,662,776	**2,291,046**
Fixed asset investments	160,570	-	-	**160,570**
Current assets	-	4,812	151,510	**156,322**
Creditors due within one year	-	-	(462,871)	**(462,871)**
Creditors due in more than one year	-	-	(5,556)	**(5,556)**
Total	160,570	633,082	1,345,859	**2,139,511**

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Endowment funds 2023 £	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	747,329	1,717,850	2,465,179
Fixed asset investments	149,687	-	100,000	249,687
Current assets	-	-	103,109	103,109
Creditors due within one year	-	-	(390,092)	(390,092)
Creditors due in more than one year	-	-	(38,889)	(38,889)
Total	149,687	747,329	1,491,978	2,388,994

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024 £	Group 2023 £
Net expenditure for the period (as per Statement of Financial Activities)	**(249,483)**	(347,548)
Adjustments for:		
Depreciation charges	**246,249**	248,651
Dividends, interests and rents from investments	**(4,293)**	(3,304)
Loss on the sale of fixed assets	**-**	21,741
(Increase) in stocks	**(3,047)**	(1,693)
Decrease/(increase) in debtors	**(45,021)**	46,105
Increase in creditors	**89,424**	16,500
Fair value gain/(loss) in SOFA	**(10,883)**	4,407
Net cash provided by/(used in) operating activities	**22,946**	(15,141)

24. Analysis of cash and cash equivalents

	Group 2024 £	Group 2023 £
Cash in hand	72,784	50,996
Total cash and cash equivalents	72,784	50,996

25. Analysis of changes in net debt

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	50,996	21,788	72,784
Bank overdrafts repayable on demand	(2,120)	(71,630)	(73,750)
Debt due within 1 year	(33,333)	-	(33,333)
Debt due after 1 year	(38,889)	33,333	(5,556)
	(23,346)	(16,509)	(39,855)

26. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group by an independently administered fund (Royal London).

The pension cost charge represents contributions payable by the group to both funds and amounted to £25,110 (2023 - £24,297). At the balance sheet date there was £3,776 payable to the funds and included in creditors.

27. Operating lease commitments

At 31 March 2024 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024 £	Group 2023 £
Not later than 1 year	2,396	4,716
Later than 1 year and not later than 5 years	3,594	7,150
	5,990	11,866

28. Related party transactions

Related party transactions with Trustees are disclosed in note 13 of the financial statements.

There were no other related party transactions in the year.

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

England & Wales - Charity number 1086789

Accounts

Registered number: 03927101
Charity number: 1086789

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

ArmstrongWatson®

Accountants, Business & Financial Advisers

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED
(A company limited by guarantee)

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THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2023

Trustees	P L Whitehurst T R Clarke A Lawson D L Stevens S C H Poole L S R Davies (resigned 15 February 2023) A Senior N E Farrer S J Hunt S L H Newton L Chirwa
Company registered number	03927101
Charity registered number	1086789
Registered office	Brewery Arts 122A Highgate Kendal Cumbria LA9 4HE
Company secretary	H Askew
Chief executive officer	M Randall
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors Fairview House Victoria Place Carlisle Cumbria CA1 1HP
Bankers	Yorkshire Bank 7 Stricklandgate Kendal Cumbria LA9 4NB
Solicitors	Milne Moser Solicitors Westmorland House The Square Milnthorpe Cumbria LA7 7QJ

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The trustees, who are also the directors of the charitable company ("the Charity") for the purposes of the Companies Act 2006, present their annual report on the affairs of the Charity, together with the financial statements and auditors' report, for the year ended 31 March 2023. The annual report and financial statements are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The reference and administrative information set out on page 1 forms part of this report. The financial statements have been prepared in accordance with the accounting policies set out in the notes and 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) (effective 1 January 2019).

Objectives and activities

The Charity's main objectives are:

- to promote, maintain, improve and advance education particularly by the encouragement of the Arts and Crafts and the formulation, preparation and establishment of schemes to render the Arts accessible to the public;
- to promote the education of children by encouraging an interest in and understanding of the Arts and by running play schools for young children;
- for any other charitable purposes tending to encourage interest in the Arts which may be conveniently promoted in combination with the aforesaid purpose and which may include permitting Old Age Pensioners to use the premises of the Charity for the purpose of recreation or other leisure-time activities with the object of improving their conditions of life; and,
- to promote for the benefit of the inhabitants of Kendal, the South Lakes and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the quality of life of the said inhabitants.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives. In particular, the trustees consider how planned activities contribute to the aims and objectives. We are satisfied that each of our aims is charitable and that each is for public benefit, and we are confident that our activities are consistent with our objectives. The following paragraphs demonstrate that our activities deliver public benefit. While we rely on ticket sales as part of our income, we provide access at concessionary rates for performances and for classes wherever practicable.

The Charity exists to engage and inspire the community and future generations. Our mission is to enrich lives through culture and provide wide ranging opportunities for creative participation in the arts.

2022-23 was planned as a year of recovery after the COVID-19 pandemic. Our plan to build back audiences has been partially successful, but the economic downturn and increasing cost of living crisis has limited the recovery to a certain extent.

Public benefit

We provide public benefit by meeting our charitable aims, and this is done by presenting a diverse programme of live music, theatre, dance, comedy, visual arts, literature and film and in the provision of creative learning and engagement activities which are all available to, and enjoyed by, a wide audience in Kendal and the wider region. In 2022-23 our programme attracted just over 100,000 people to our venue through our key programme strands: Live Performance; Creative Learning & Engagement; Cinema & Stage on Screen; Community Events; Festivals; and Exhibitions.

Strategic Report

Exceptional Matters in 2022-23: Ongoing impact of Covid-19 and Cost of Living Crisis

Most Covid-19 restrictions were lifted by the end of March 2022, and plans for the year included an expected upturn in events and attendances. No further lockdowns were in place during the 2022-23 year, but effects continued to be felt. Some audiences remained reluctant to return to previous levels of cultural attendance, either because of Covid concerns or due to changing habits. UK Cinema Association figures show 2022 admissions to be 33% down on 2019 admissions across the UK. We also experienced some staff down time as the virus continued to circulate through the community.

These impacts were then further compounded by the economic downturn, inflation and the effects of the cost of living crisis on customer spending power. There was also a small lull in attendances around the death and funeral of Queen Elizabeth.

The financial impact of these matters was offset by reducing expenditure on our 50th Anniversary projects, additional support from the Brewery Arts Centre Endowment Trust and releasing additional funds from our endowment during the year.

Achievements and Performance

The main activities undertaken to meet our objectives and to deliver public benefit are summarised below.

a) Creative Learning & Community Engagement

Our Creative Learning & Engagement programme engages people of all ages, backgrounds and abilities in a range of artforms, including visual art, dance, drama, music, literature and film. In 2022-23 we delivered a total of 812 creative learning sessions, with 7,719 attendances. Of this figure, 3,883 attendances were children and young people between the ages of 3-19 years. Young people are able to achieve Arts Award accreditation for our summer camps and other sessions.

Our old people's theatre company, Act Your Age, and our dance group, Mature Movers, also continued to thrive, with 649 attendances from people between the ages of 60-80 who enjoyed weekly classes in dance and drama. These groups also presented showcase performances, working with our engagement and production teams to share and celebrate their work with audiences in our theatre.

Classes throughout the year included Act on Camera, Write your own Screenplay, Portrait Drawing, Pottery Throwing, Makers' Club, Young Actors, Get Moving, Creative Dance, Stage Stars and many others. Regular feedback demonstrates the wide range of positive impacts on the lives of our participants, who gain skills, confidence, wellbeing, social connection and pathways to further their training, careers or artistic practice. Special one-off sessions included a youth workshop led by internationally acclaimed company, Vincent Dance Theatre who complemented their live performance with a creative workshop.

b) Creative Learning Projects & Performances

NT Connections 2023: Brewery Youth Theatre took part in the prestigious National Theatre Connections, a nationwide youth theatre festival. This resulted in performances of a new play in our theatre to audiences across two nights, and a performance at Theatre by the Lake in Keswick.

Schools Dance Platform 2023: This annual event continues to be a highlight which connects us with up to 30 schools for a week of performances by 660 young people. Feedback from teachers, parents, participants and freelance artists is outstanding.

Moving With: Continuing the theme of movement and community connection, we partnered with artist Lucy Nicholson on Moving With, which resulted in a film that went on to be exhibited in our gallery and also featured in Kendal Mountain Festival.

Creative Reconnections: In December 2022 we welcomed back participants from Creative Connections, our outreach project in partnership with Mill Lane day centre in Barrow. This was a celebratory day of dance and movement with a group of people with learning disabilities.

Future Creatives: We presented a free scratch night for creatives aged 18-30, which included performances and networking in our venue. We also presented an exhibition for young creatives in partnership with Great Place Lakes & Dales, as part of the Nurturing Creativity project.

Verbalise: We presented monthly spoken word open mic events throughout the year, providing hybrid access to increase access for disabled people.

c) Supported Community Events

We are proud to support a wide range of community events with discounted venue hire and facilities across the year, strengthening partnerships and serving the local community. Highlights from this strand of our programme include the Kendal College annual show, Anti Racist Cumbria Summit, Unity Festival, Kendal Poetry Festival, Kendal Mountain Festival, St John's Hospice Choir, Youth Matters Summit, Sedbergh School, Independent Cinema Office, Lakeland Arts and National Trust.

Young Carers: We supported The Knotted Project with rehearsal and development space for a group of young carers who took part in Forge Festival at Windermere Jetty.

Youth Matters: We started a new partnership with Youth Matters, led by Brathay, to provide weekly sessions for young people aged 11-18 to meet and create events in our Warehouse. This has led to continued sessions and further activities which the young people have steered themselves, including plans for a regular open mic night, and creative activities at Kendal Pride and Unity Festival in summer 2023.

Animated Futures: We hosted a launch event and premiere screening for an animated film created by young black and brown Cumbrians led by Anti Racist Cumbria.

d) 50 Years Community Activities

We celebrated our 50th anniversary with the community by hosting a summer open day with free creative activities. This included a free outdoor family theatre performance by Jellyfish Theatre, free creative workshops, free cinema ticket lucky dip, screenings and gaming. This was attended by new and old audience members, families, partners and staff.

We also presented a series of high-profile live shows, including Joan As Police Woman, and Everything Everything. In addition, we connected with the community by asking for stories and recollections of Brewery Arts over the past 50 years.

e) Festivals

We partnered with three festivals during 2022-23.

Kendal Mountain Festival: We continued to expand our activities with Kendal Mountain Festival, welcoming approximately 9,000 visitors to our venue and site.

Unity Festival: We worked with Unity Festival to host creative activities in our venue and garden, attracting 480 visitors.

Kendal Poetry Festival: This was our first co-presentation with Kendal Poetry Festival which attracted 1,770 visitors.

f) Supported Artists & Exhibitions

During the year, we continued to support exceptional talent from the local area, and add value to the wider programme through pop-up exhibitions, workshops and public performances.

Jack McNeill and Propellor: Having hosted Jack as our artist in residence in 2021-22, we were delighted to present the culmination of this residency project. Flight, a cross-artform performance featuring music, dance, projections and creative technology, took take place in our theatre in autumn 2022.

Hayden Thorpe: As a Kendal resident and former frontman for Mercury nominated Wild Beasts, we welcomed Hayden back into our venue to produce a video for his latest single.

Orla Collier: One of our freelance dance artists and a rising talent in the region, we supported Orla throughout the year with rehearsal space and public performances. Orla was also one of the artists we supported for the Nurturing Creativity showcase in partnership with Great Place Lakes & Dales.

Mena Dickson: Mena was also part of Nurturing Creativity as part of the Youth Voice strand, and she used our studio for rehearsal and development space which led to a co-presented scratch night.

Exhibitions: We staged seven exhibitions throughout the year, featuring a range of visual art, sculpture, film and photography. These were in partnership with Kendal Mountain Festival, Printfest, Greendoor and Kendal Poetry Festival, as well as in house shows featuring the work produced by our creative learning students. We estimate that approximately 20,000 people visited the galleries during this time.

g) Live Performance Programme

Our live performance programme takes place year-round and brings artists, musicians, performers and companies from across the world to enrich and entertain audiences from Kendal and beyond. In total, we presented 193 performances and events across music, theatre, dance, comedy and spoken word in 2022-23. This attracted just over 25,000 people to our venue. Selected highlights are summarised below.

Live Music: We presented 65 ticketed live music gigs across the year, and also presented five free Summer Sunday outdoor music gigs in our garden. Highlights included This Is The Kit, Joan As Police Woman, Warmduscher, Everything Everything, Badly Drawn Boy, Pigs x7, Roberto Fonseca, We Were Promised Jetpacks, Hannah Moule and the Moulettes, Turin Breaks and many others, presenting international names in contemporary rock, indie, folk, dance and world music.

Theatre & Dance: We presented 14 performances of theatre, dance and family entertainment across the year. A highlight was Ladies That Dig, a theatre production that resonated strongly with the local community and was partly shaped by stories of local women. We also presented Good Grief, by Ugly Bucket, DESTINY, a moving coming of age story by Florence Espeut Nickless, Hold Tight by Vincent Dance Theatre, and BROMANCE by Barely Methodical Troupe.

Family Entertainment: This strand of our work is growing and we presented popular shows including Shark in the Park by Nick Sharratt, Groove Into The Woods by Groove Baby, and Curious Investigators.

Comedy & Literature: Our comedy programme is growing and is welcoming large audiences in our theatre as well as the more intimate Comedy Club cabaret nights in our malt room. Highlights include Steve Wozniak, Mark Watson and Tom Allen.

h) Cinema & Stage on Screen

We presented 1,400 screenings in our cinema programme in 2022-23, which attracted 44,150 people. The programme featured blockbuster titles as well as specialist and independent film, including mini-festivals the UK Green Film Festival and the Japan Foundation Touring Programme. Our new monthly Film Club provided opportunities for film enthusiasts to discuss the film programme with our team and with each other.

We increased the scale and scope of our Stage on Screen programme by 50%, presenting live streamed and encore performances from National Theatre Live, Royal Opera House, Royal Ballet and others. We also partnered with others to present films and wraparound events that celebrate diversity and increase access for all, with Anti Racist Cumbria, Cumbria Deaf Association, Unity Festival, Kendal College and others.

i) Creative & Visitor Economy

We leveraged national funding and contributed to local, regional and national strategic initiatives and groups, to benefit the creative and visitor economy of South Lakeland, Westmorland and Furness.
We maintained strategic partnerships with Arts Council England, including renewing our three-year NPO status, and with BFI Film Hub North, Future Arts Centres, Venues North, Music Venues Trust, Cumbria LEP, Cumbria Arts & Culture Network, Cumbria Tourism and Kendal Futures.

Financial review

We are grateful to key funders, Arts Council England, South Lakeland District Council, Kendal Town Council, Cumbria County Council and BFI Film Hub North, for their continued support to help us maintain the valuable work we do. We are also grateful for the continued support received from the Brewery Arts Centre Endowment Trust and a range of other trusts and foundations.

The 2022-23 financial year saw the final receipt of a small proportion of the grant funding for the Our Digital Future project, £50,000 in the year. There was also the final receipt for Cultural Recovery Funds £35,670 both from Arts Council England.

Our wholly-owned subsidiary, Kendal Catering Company Limited (KCC), operates the food, drink and car park activities within The Brewery site. This is an important part of our 'offer' to people attending all of our venues. In 2022-23 KCC made a profit and was able to pay 100% of the planned management charge for the year. It was also able to reduce its historic loss.

Restricted Funds saw net expenditure of £58,238, with this decrease representing the impact of restricted assets' deprecation charge to the restricted funds.

The Designated Fund (unrestricted) saw net expenditure of £102,416 which represented the impact of designated assets' deprecation on the designated fund.

The trustees agreed the use of the expendable endowment (£140,000) and part of the permanent endowment (£100,000) to support operations during this recovery year. After these transfers the general unrestricted funds saw an improvement in the deficit level by £57,174. The deficit stands at £139,367 at 31 March 2023.

The new three year business plan places a focus on financial sustainability alongside meeting charitable objectives. This sees the plan to continue the reduction of the deficit over the next three years. A three year funding agreement is in place from Arts Council England as part of their National Portfolio, support also continues from the Brewery Arts Centre Endowment Trust, Westmorland and Furness Council, Kendal Town Council and British Film Institute.

Investment policy and performance

The trustees' investment powers are governed by the Articles of Association, which permits the Charity's funds to be invested as the trustees see fit and in a manner which is beneficial for the achievement of the Charity's objects.

The Charity invests endowment funds which were donated to it for the express purpose of generating income to further its objectives. At the end of the 2021-22 financial year the funds were held as cash following the decision to transfer the investment from Legal & General Investment Management Limited before being invested with Rathbones at the start of the 2022-23 financial year.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

As part of this review, the trustees agreed to release £140,000 of the expendable fund for use in 2022-23 for post-Covid recovery of the charity. Subsequent to this, the decision was made to release a further £100,000 of the permanent endowment to support the expenditure requirements of the charity. Although this £100,000 remained invested at the year-end date, it has been recognised as a transfer from the permanent endowment to the general fund in the 2022-23 financial year.

The investment vehicle with Rathbones offers a diverse investment portfolio, guaranteed index performance, and is a cost effective way of maintaining equity market exposure for the Charity.

Risk management

The trustees review the risks to which the Charity is exposed. The Charity follows accepted health and safety procedures in all its activities to minimise the likelihood of harm to staff, performers, volunteers and visitors to the Arts Centre. The trustees consider that, as far as is currently practical, suitable systems, internal controls and insurances are in place to mitigate risks.

Even before the impact of the pandemic, financial sustainability was identified as a risk for the Charity, as unrestricted funds were in deficit. The Charity does not hold significant levels of reserves to support volatility in financial performance. The three year business plan includes a financial strategy to reduce this historic deficit, whilst continuing to meet our charitable aims and the aims of our funders.

Reserves policy

Total funds at 31 March 2023 amounted to £2,388,994 of which £897,016 is held in endowment and restricted funds and are therefore not available for the general purposes of the Charity. The designated funds amounted to £1,631,345, representing the net book value of the buildings acquired with unrestricted funds. Other than depreciation no material expenditure is expected from the buildings designated fund in the forthcoming year.

General unrestricted funds are in deficit at 31 March 2023 at £139,367, an improvement of £57,174 on the opening position.

The trustees reviewed the reserves policy and consider that the level of free reserves (that is those items not tied up in fixed assets and restricted funds) required to sustain its operations should be equivalent to three months' worth of annual expenditure on support costs and overheads (25% of budget). The reserves are needed to meet the working capital requirements of the Charity. The current reserves target is £276,852. Free reserves are currently £0 but the Charity's financial strategy aims to build reserves incrementally year-on-year and to reach target within the next five years.

The strategy for building reserves is as follows:

1. to introduce a new three-year Business Plan in 2023 to strengthen the business model, increase commercial profitability, widen private and grant income streams and secure the future development of the Charity;
2. to set operating budgets that generate annual cash surpluses for reinvestment in the Charity; and
3. to maximise income generation opportunities and the return on investment for all activities, and through appeals and fundraising.

This will be achieved by:

- implementing the reviewed artistic, engagement and marketing strategies in the Business Plan;
- implementing the financial strategies led by the new Director of Finance and Business Development;
- monitoring data each week to review progress against financial and audience targets, and adjusting activities accordingly;
- regularly reviewing pricing levels for arts, cinema, education and all other activities;
- maintaining tight control of costs;
- ensuring that all working procedures and staffing levels are economic and efficient; and
- broadening the funding base of the Charity by seeking new partnerships and new sources of grant funding, sponsorship, legacies and donations.

Plans for future periods

In 2023-24 we will continue to increase audience engagement with our artistic and participatory programmes, increase revenue on cultural and commercial activity, and generate more private income from a wider variety of sources. Our overall target for the Business Plan is to consolidate our finances so that we can achieve positive cash reserves by 2026.

Over the next three years we will work towards the following main aims.

- **Programme:** Increase the scale, impact and distinctiveness of the presented programme.
- **Engagement:** Diversify the engagement programme to increase social and economic impact.
- **Audiences:** Broaden audiences and communities to deepen dialogue, reach and impact.
- **Finance:** Strengthen the financial model of the organisation to secure long term sustainability.
- **Operations:** Develop the building, operations and teams to ensure sustainability and resilience.

In 2023-24, we will prioritise the following specific areas of work:

- increase public benefit and the profile and reach of the organisation, by presenting a distinctive, ambitious and high-quality programme on stage and screen, with dynamic audience development strategies and exceptional customer service;
- benchmark our engagement programmes to ensure our work is competitive, inclusive and contemporary, providing exceptional quality and relevant programmes developed in tandem with the community;
- strengthen existing partnerships and develop new alliances, showing leadership in the sector and advocating for support and investment to enhance our work and the impact of the region;
- continue to build our donor base, implementing new campaigns and mechanisms for giving, and refreshing the membership scheme and sponsorship strategies;
- explore funding opportunities for capital development of the Brewery site, including new production facilities for artists and companies working across disciplines, such as music, film, digital art and the performing arts;
- secure grant funding to grow our Future Creatives talent development programme and other engagement activities;
- be data led so that we keep progress against targets under close review, and act responsively according to internal and external patterns and trends;
- continue to provide an exceptional hospitality offer to service all visitors, placing great customer service at the heart of the visitor experience;
- improve the evaluation programme so that we know more about the people we serve and what positive changes they would like to see us develop;
- deliver a comprehensive staff training and development programme; and
- implement our new Environmental Policy and work towards accreditation in Investors in the Environment.

Structure, governance and management

a) Governing Document

The Charity is a company limited by guarantee and a registered charity. It is governed by its Memorandum and Articles of Association which were updated by special resolution on 14 February 2006.

b) Recruitment and Appointment of Trustees

The trustees are elected by the company at the Annual General Meeting in accordance with the Articles of Association. One Trustee resigned during the year. The trustees who served during the year are set out on page 1.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

c) Trustee Induction and Training

An induction pack is available to any new trustee which includes a copy of the Memorandum and Articles of Association, a summary of the Charity's objectives, a copy of the Charity Commission's guide on the duties of a trustee and the most recent financial statements.

d) Organisational Structure

The Charity has a wholly owned subsidiary, Kendal Catering Company Limited, which manages the provision of bar, catering and car parking facilities within the Arts Centre and at other outlets. The Board of Kendal Catering Company meets regularly to oversee the work of this company.

The trustees have regular access to information regarding the programme and financial performance of the charity and meet at least every quarter. The Board has a Finance Sub-Committee and other ad hoc committees/working groups are set up to consider specific issues where needed. All Trustees' meetings and committee meetings are attended by the Chief Executive and the Director of Finance and Business Development.

Our key funders are all invited to send observers to the Trustees' Meetings. These funders are: Arts Council England, South Lakeland District Council (now Westmorland & Furness Council) and Kendal Town Council.

e) Fundraising methodology

Whilst the majority of the Charity's income is generated through its charitable activities, it is also reliant on grants and voluntary donations to enable it to deliver its high-quality, diverse artistic programme.

The majority of this income is provided by way of grants from arts funders (primarily Arts Council England), local government (South Lakeland District Council (now Westmorland & Furness Council) and Kendal Town Council), the Brewery Arts Centre Endowment Trust (an independent Trust set up to support Brewery Arts), and other grant-awarding bodies on an ad-hoc basis. A relatively small amount of donations is received from people attending events and from the general public.

As this additional income is critical to the on-going development of The Brewery, the Charity employs one member of staff dedicated to fundraising, primarily through making grant applications. During the financial year, the Charity was not subject to an undertaking to be bound by any voluntary scheme for regulating fund-raising, or any voluntary standard of fund-raising, in respect of activities on behalf of the Charity. However, the activities of the Fundraising Manager are monitored by the Director of Finance & Business Development, to ensure that they are in-line with internal policies and procedures.

The Charity did not receive any complaints during the year concerning the Charity's fundraising activities.

The Charity is committed to protecting vulnerable people and other members of the public from the following behaviour in the course of, or in connection with, its fundraising activities:

- unreasonable intrusion on a person's privacy;
- unreasonably persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the Charity;
- placing undue pressure on a person to give money or other property.

f) Key management personnel remuneration

The Trustees consider the board of Trustees, the Chief Executive and the Director of Finance and Business Development as comprising the key management personnel of the Charity in charge of directing and controlling the Charity and running and operating the Charity on a day-to-day basis. The remuneration paid to the Chief Executive and Director of Finance and Business Development and the expenses reimbursed to them are disclosed in note 13 to the financial statements. The Trustees give their time freely and no Trustee remuneration was paid to them during the year.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Trustees are required to disclose all relevant interests to other trustees and withdraw from decisions where a conflict of interest arises. Details of related party transactions are disclosed in note 14 to the financial statements. Any benefit received by trustees, staff and volunteers is purely incidental to the objects of the Charity.

An annual pay review across the Group took review took place during the year and was approved by the trustees. The review considered the impact of the National Living Wage rise and being able to maintain appropriate differentials in pay levels right through the overall structure.

Statement of Trustees' responsibilities

The trustees (who are also directors of the Kendal Brewery Arts Centre Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the 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 financial year, which give a true and fair view of the state of affairs of the group and the charitable company and of the group's incoming resources and application of resources, including the income and expenditure, of the group for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

a) so far as the trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
b) they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:

.....
T R Clarke
(Chair of Trustees)
Date: 20/09/2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

Opinion

We have audited the financial statements of The Kendal Brewery Arts Centre Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the not for profit sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED (CONTINUED)

Auditing standards also limit the procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Karen Rae

Karen Rae (FCCA) (Senior statutory auditor)
for and on behalf of
Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors
Carlisle

Date: 21 September 2023

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Endowment funds 2023 £	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Income and endowments from:						
Donations and legacies	3	340	182,170	515,593	698,103	*868,743*
Charitable activities	4	-	-	721,086	721,086	*481,134*
Other trading activities	5	-	-	683,016	683,016	*398,578*
Investments	6	-	-	3,304	3,304	*5,492*
Other income	7	-	-	-	-	*70,713*
Total income and endowments		340	182,170	1,922,999	2,105,509	*1,824,660*
Expenditure on:						
Raising funds and other trading expenses	8,9	-	-	656,662	656,662	*488,318*
Charitable activities	10	1	240,408	1,551,579	1,791,988	*1,438,660*
Total expenditure		1	240,408	2,208,241	2,448,650	*1,926,978*
Net income/(expenditure) before net (losses)/gains on investments		339	(58,238)	(285,242)	(343,141)	*(102,318)*
Net (losses)/gains on investments		(4,407)	-	-	(4,407)	*30,041*
Net expenditure		(4,068)	(58,238)	(285,242)	(347,548)	*(72,277)*
Transfers between funds	21	(240,000)	-	240,000	-	-
Net movement in funds		(244,068)	(58,238)	(45,242)	(347,548)	*(72,277)*
Reconciliation of funds:						
Total funds brought forward		393,755	805,567	1,537,220	2,736,542	*2,808,819*
Net movement in funds		(244,068)	(58,238)	(45,242)	(347,548)	*(72,277)*
Total funds carried forward		149,687	747,329	1,491,978	2,388,994	*2,736,542*

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 03927101

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible assets	15		**2,465,179**		*2,703,757*
Investments	16		**249,687**		-
			2,714,866		*2,703,757*
Current assets					
Stocks	17	**17,156**		*15,463*	
Debtors	18	**34,957**		*81,062*	
Cash at bank and in hand		**50,996**		*382,074*	
		103,109		*478,599*	
Creditors: amounts falling due within one year	19	**(390,092)**		*(373,581)*	
Net current assets / Liabilities			**(286,983)**		*105,018*
Total assets less current liabilities			**2,427,883**		*2,808,775*
Creditors: amounts falling due after more than one year	20		**(38,889)**		*(72,233)*
Total net assets			**2,388,994**		*2,736,542*

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Charity funds			
Endowment funds	21	**149,687**	*393,755*
Restricted funds	21	**747,329**	*805,567*
Unrestricted funds	21	**1,491,978**	*1,537,220*
Total funds		**2,388,994**	*2,736,542*

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

T R Clarke
Chair of Trustees
Date: 20/09/2023

The notes on pages 21 to 42 form part of these financial statements.

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 03927101

CHARITY BALANCE SHEET
AS AT 31 MARCH 2023

	Note		2023 £		*2022 £*
Fixed assets					
Tangible assets	15		**2,457,972**		*2,694,779*
Investments	16		**299,587**		*49,900*
			2,757,559		*2,744,679*
Current assets					
Debtors	18	**34,397**		*82,836*	
Cash at bank and in hand		**770**		*369,436*	
		35,167		*452,272*	
Creditors: amounts falling due within one year	19	**(347,175)**		*(339,658)*	
Net current assets / Liabilities			**(312,008)**		*112,614*
Total assets less current liabilities			**2,445,551**		*2,857,293*
Creditors: amounts falling due after more than one year	20		**(38,889)**		*(72,233)*
Total net assets			**2,406,662**		*2,785,060*

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Charity funds			
Endowment funds		149,687	393,756
Restricted funds		747,330	805,569
Unrestricted funds		1,509,645	1,585,735
Total funds		2,406,662	2,785,060

The Charity's net movement in funds for the year was £-378,398 *(2022 - £-53,194)*.

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

T R Clarke
Chair of Trustees
Date: 20/09/2023

The notes on pages 21 to 42 form part of these financial statements.

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	*2022* *£*
Cash flows from operating activities		
Net cash used in operating activities	**(15,141)**	*196,707*
Cash flows from investing activities		
Dividends, interests and rents from investments	**3,304**	*5,492*
Purchase of tangible fixed assets	**(31,814)**	*(190,673)*
Proceeds from sale of investments	**-**	*360,661*
Purchase of investments	**(254,094)**	-
Net cash (used in)/provided by investing activities	**(282,604)**	**175,480**
Cash flows from financing activities		
Repayments of borrowing	**(33,333)**	*(33,322)*
Net cash used in financing activities	**(33,333)**	**(33,322)**
Change in cash and cash equivalents in the year	**(331,078)**	**338,865**
Cash and cash equivalents at the beginning of the year	**382,074**	*43,209*
Cash and cash equivalents at the end of the year	**50,996**	*382,074*

The notes on pages 21 to 42 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

The Kendal Brewery Arts Centre Trust Limited is a company limited by guarantee and accordingly does not have a share capital, registered in England and Wales. Every member of the company undertakes to contribute £10 in the event of the charitable company being wound up while he or she is a member.

The company number, charity number and address of the Registered Office are given in the reference and administration information on page 1 of these financial statements. The principal nature of the charity's operations is to promote for the benefit of the inhabitants of Kendal, the South Lakes and the surrounding area the provision of facilities for arts, education, recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances and for the public at large in the interests of social welfare and with the object of improving the quality of life of the said inhabitants.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Kendal Brewery Arts Centre Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including annual budget, performance in Q1 of 2023-24, updated forecast and future cashflows in making their assessment. The following information has been key to this process.

- The charity has improved its unrestricted undesignated deficit position in the year.
- The charity owns its building and land.
- The charity has Endowment funds which are invested prudently to generate annual income.
- Operating and Capital Budgets for future years have been designed to generate cash positive balances, including surplus balances for the subsidiary company.
- In response to the current economic climate the Trustees have tested their cash flow analysis to take into account possible impacts alongside mitigations that could be taken.
- Arts Council England funding has been secured for a further three years from 2023 to 2026.
- Local Authority funding has been secured for a further year from 2023 to 2024.
- BFI funding has confirmed continued annual strategic partnership funding from 2023 to 2025.
- Key clients Kendal Mountain Festival, Kendal College, Brathay Trust and a range of schools have confirmed the charity as their venue and programme partner for 2023.
- Confirmed programme for 2023-24 includes a year-round schedule of internationally renowned acts in music, comedy, theatre.

2. Accounting policies (continued)

2.2 Going concern (continued)

The Trustees have concluded that the latest forecast shows they can continue to adopt the going concern basis in preparing the annual report and accounts.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Activity income is included when receivable. Any income received in advance of a performance or the provision of another service is deferred until the criteria for income are met.

Catering activities are carried out by Kendal Catering Company Limited whose profits are payable to The Kendal Brewery Arts Centre Trust Limited via a distribution if there are sufficient reserves to do so. The income is included when receivable.

In accordance with the Charities SORP (FRS 102) the general volunteer time is not recognised as income. The Trustees' annual report contains information regarding their contribution.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

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

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%
Plant and machinery	-	10%
Fixtures, fittings & bar equipment	-	10%
Computer equipment	-	25%

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Debtors

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

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2. Accounting policies (continued)

2.13 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.14 Financial instruments

The Group 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.

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The group also operated a defined benefits pension scheme as a member of the Cumbria Local Government Pension Scheme. This is a multi-employer defined benefit scheme and the assets are held separately from those of the charity. The last member of this scheme ceased employment in 2020 and the charity's share of the scheme's assets and liabilities have been identified via a termination summary paper. The scheme has been settled in the financial year and no further payments to the scheme will be made.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

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 are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. Income from donations and legacies

	Endowment funds 2023 £	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Grants					
Arts Council - NPO	-	-	327,776	**327,776**	*327,776*
Arts Council - Cultural Recovery	-	35,670	-	**35,670**	*236,630*
Arts Council - ODF	-	50,000	-	**50,000**	*82,121*
South Lakeland District Council	-	67,500	-	**67,500**	*65,500*
Covid support	-	-	-	**-**	*6,000*
Brewery Arts Centre Endowment Trust	-	-	124,073	**124,073**	*66,000*
Cumbria County Council	-	-	10,000	**10,000**	*10,000*
Kendal Town Council	-	-	10,000	**10,000**	*10,000*
Film Hub North	-	29,000	-	**29,000**	*29,000*
Sir John Fisher Foundation	-	-	2,400	**2,400**	-
Kendal Town Council (Dance Platform)	-	-	1,000	**1,000**	-
Cumbria County Council (Engagement Programme)	-	-	5,085	**5,085**	-
Rayne Foundation (Engagement Programme)	-	-	12,244	**12,244**	-
Other Grant Income	-	-	550	**550**	-
SLDC Restart grant	-	-	-	**-**	*18,000*
Subtotal detailed disclosure	-	182,170	493,128	**675,298**	*851,027*
Donations	340	-	22,465	**22,805**	*17,716*
Subtotal	340	-	22,465	**22,805**	*17,716*
	340	182,170	515,593	**698,103**	*868,743*
Total 2022	*471*	*413,251*	*455,021*	*868,743*	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Cinema	251,610	**251,610**	*204,869*
Stage on Screen	28,383	**28,383**	*4,207*
Adult Education	58,957	**58,957**	*65,924*
Youth Education	44,118	**44,118**	*32,813*
Theatre/Dance/Literature	34,300	**34,300**	*8,238*
Music	153,318	**153,318**	*59,406*
Comedy	38,957	**38,957**	*30,343*
Funded Projects	-	**-**	*2,000*
Other Income	111,443	**111,443**	*73,334*
	721,086	**721,086**	*481,134*

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Bar & catering	648,475	**648,475**	*374,497*
Car park income	30,384	**30,384**	*23,353*
Other income	4,157	**4,157**	*728*
	683,016	**683,016**	*398,578*

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Income from local listed investments	3,304	**3,304**	*5,492*

7. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Coronavirus Job Retention Scheme	-	-	*70,713*

8. Expenditure on raising funds

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Expenditure on raising voluntary income			
Wages and salaries	31,637	**31,637**	*32,845*
National Insurance	4,010	**4,010**	*3,203*
Pensions	1,116	**1,116**	*1,321*
Direct costs	910	**910**	*221*
Support costs	4,051	**4,051**	*3,954*
	41,724	**41,724**	*41,544*

9. Other trading expenses

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Cost of sales	245,856	**245,856**	*138,055*
Administration expenses	56,960	**56,960**	*45,406*
Administration staff costs	306,640	**306,640**	*251,366*
Depreciation	2,283	**2,283**	*9,923*
Car park costs	3,199	**3,199**	*2,024*
	614,938	**614,938**	*446,774*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total 2023 £	*Total 2022 £*
Cinema	29,000	300,673	**329,673**	*280,413*
Stage on screen	-	69,686	**69,686**	*34,929*
Live events	16,875	512,218	**529,093**	*309,697*
Creative learning	16,875	155,647	**172,522**	*97,974*
Education & Outreach	16,875	160,867	**177,742**	*165,708*
Support costs	160,783	352,488	**513,271**	*549,939*
	240,408	1,551,579	**1,791,987**	*1,438,660*
Total 2022	*533,337*	*905,323*	*1,438,660*	

11. Analysis of expenditure by activities

	Activies undertaken directly 2023 £	Support costs 2023 £	Total 2023 £	*Total 2022 £*
Cinema	126,830	202,843	**329,673**	*280,413*
Stage on screen	18,699	50,987	**69,686**	*34,929*
Live events	234,430	294,663	**529,093**	*309,696*
Creative learning	78,181	94,341	**172,522**	*97,974*
Education & Outreach	27,157	150,585	**177,742**	*165,708*
Support costs	-	513,271	**513,271**	*549,940*
	485,297	1,306,690	**1,791,987**	*1,438,660*
Total 2022	*320,020*	*1,118,640*	*1,438,660*	

12. Auditors' remuneration

The auditors' remuneration amounts to an audit fee of £15,500 *(2022 - £13,475)*, and financial statement preparation fees of £4,725 (*2022 - £4,150*). In the 2022 audit there were also overrun fees amounting to £17,500.

13. Staff costs

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Wages and salaries	**1,006,073**	*750,234*	**719,576**	*516,642*
Social security costs	**67,714**	*50,284*	**52,858**	*36,902*
Contribution to defined contribution pension schemes	**24,297**	*34,248*	**19,010**	*29,856*
	1,098,084	*834,766*	**791,444**	*583,400*

The average number of persons employed by the Group during the year was as follows:

	Group 2023 No.	*Group 2022 No.*	Charity 2023 No.	*Charity 2022 No.*
Administration and management	**11**	*10*	**11**	*10*
Bar and catering	**24**	*21*	**-**	*-*
Support	**15**	*13*	**15**	*13*
Activity	**15**	*9*	**15**	*9*
	65	*53*	**41**	*32*

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity comprise the Trustees the Chief Executive and the Director of Finance. The total employee benefits of the key management personnel including any employer pension contributions were £107,570 (2022 - £63,024).

14. Trustees' remuneration and expenses

During the year, one or more Trustees has been paid remuneration or has received other benefits from an employment with the Charity. A Trustee was paid £520 for services provided as a freelance artist during the year (2022 - £90). At the year end, £Nil was included in trade creditors in respect of this supplier.

During the year ended 31 March 2023, expenses totalling £123 were reimbursed or paid directly to Trustees (2022 - £Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

15. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2022	4,380,369	18,115	932,779	258,524	5,589,787
Additions	-	512	21,439	9,863	31,814
Disposals	(18,755)	(1,422)	(88,177)	-	(108,354)
At 31 March 2023	4,361,614	17,205	866,041	268,387	5,513,247
Depreciation					
At 1 April 2022	2,509,111	9,137	286,508	81,274	2,886,030
Charge for the year	87,607	1,825	92,399	66,820	248,651
On disposals	(3,944)	(964)	(81,705)	-	(86,613)
At 31 March 2023	2,592,774	9,998	297,202	148,094	3,048,068
Net book value					
At 31 March 2023	1,768,840	7,207	568,839	120,293	2,465,179
At 31 March 2022	*1,871,258*	*8,978*	*646,271*	*177,250*	*2,703,757*

15. Tangible fixed assets (continued)

Charity

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2022	**4,380,369**	**932,779**	**258,524**	**5,571,672**
Additions	**-**	**21,439**	**9,863**	**31,302**
Disposals	**(18,755)**	**(88,177)**	**-**	**(106,932)**
At 31 March 2023	**4,361,614**	**866,041**	**268,387**	**5,496,042**
Depreciation				
At 1 April 2022	**2,509,111**	**286,508**	**81,274**	**2,876,893**
Charge for the year	**87,607**	**92,399**	**66,820**	**246,826**
On disposals	**(3,944)**	**(81,705)**	**-**	**(85,649)**
At 31 March 2023	**2,592,774**	**297,202**	**148,094**	**3,038,070**
Net book value				
At 31 March 2023	**1,768,840**	**568,839**	**120,293**	**2,457,972**
At 31 March 2022	*1,871,258*	*646,271*	*177,250*	*2,694,779*

The Arts Council of England charge over the Arts Centre site comprising the group's freehold land and buildings is now fully satisfied.

16. Fixed asset investments

Group	Listed investments £
Cost or valuation	
Additions	254,094
Revaluations	(4,407)
At 31 March 2023	249,687
Net book value	
At 31 March 2023	249,687

Charity	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2022	49,900	-	49,900
Additions	-	254,094	254,094
Revaluations	-	(4,407)	(4,407)
At 31 March 2023	49,900	249,687	299,587
Net book value			
At 31 March 2023	49,900	249,687	299,587
At 31 March 2022	*49,900*	-	*49,900*

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
Kendal Catering Company Limited	01064847	Brewery Arts, 122a Highgate, Kendal, Cumbria, England, LA9 4HE	Catering

16. Fixed asset investments (continued)

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Kendal Catering Company Limited	**694,430**	**(663,578)**	**30,852**	**32,332**

17. Stocks

	Group 2023 £	*Group 2022 £*
Finished goods and goods for resale	**17,156**	*15,463*

18. Debtors

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Due within one year				
Trade debtors	**6,982**	*5,590*	**6,730**	*5,229*
Amounts owed by group undertakings	**-**	*-*	**-**	*3,006*
Prepayments and accrued income	**27,975**	*75,472*	**27,667**	*74,601*
	34,957	*81,062*	**34,397**	*82,836*

19. Creditors: Amounts falling due within one year

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Bank overdrafts	**2,120**	-	**2,120**	-
Bank loans	**33,333**	*33,323*	**33,333**	*33,323*
Trade creditors	**65,955**	*61,217*	**43,525**	*48,513*
Amounts owed to group undertakings	**-**	-	**4,090**	-
Other taxation and social security	**101,831**	*71,898*	**87,706**	*60,399*
Other creditors	**40,753**	*53,165*	**40,152**	*52,676*
Accruals and deferred income	**146,100**	*153,978*	**136,249**	*144,747*
	390,092	*373,581*	**347,175**	*339,658*

There is a charge in place for the bank loan by way of a first ranking debenture over all of the property and assets of the charity.

Included in other creditors in the prior year is a termination payment of £18,600 payable to the Cumbria Local Government Pension Scheme. This was the final liability due on the defined benefit pension scheme, and following payment the charity was no longet part of the scheme.

20. Creditors: Amounts falling due after more than one year

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Bank loans	**38,889**	*72,233*	**38,889**	*72,233*

There is a charge in place for the bank loan by way of a first ranking debenture over all of the property and assets of the charity.

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
Designated funds						
Buildings fund	1,733,761	-	(102,416)	-	-	1,631,345
General funds						
General Funds - all funds	(148,021)	1,239,983	(1,453,661)	240,000	-	(121,699)
Trading	(48,520)	683,016	(652,164)	-	-	(17,668)
	(196,541)	1,922,999	(2,105,825)	240,000	-	(139,367)
Total Unrestricted funds	1,537,220	1,922,999	(2,208,241)	240,000	-	1,491,978
Endowment funds						
BISF Permanent	253,754	340	-	(100,000)	(4,407)	149,687
BISF Expendable	140,001	-	(1)	(140,000)	-	-
	393,755	340	(1)	(240,000)	(4,407)	149,687

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

21. Statement of funds (continued)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Restricted funds						
Centre Development	212,012	-	(31,690)	-	-	180,322
Our Digital Future	629,225	50,000	(112,218)	-	-	567,007
Cultural Recovery	(35,670)	35,670	-	-	-	-
Cultural Cinema Programme	-	29,000	(29,000)	-	-	-
Strategic Cultural Partnerships	-	67,500	(67,500)	-	-	-
	805,567	182,170	(240,408)	-	-	747,329
Total of funds	2,736,542	2,105,509	(2,448,650)	-	(4,407)	2,388,994

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2021 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 March 2022* £
Unrestricted funds						
Designated funds						
Building fund	*772,120*	-	*(19,890)*	*981,531*	-	*1,733,761*
General funds						
General Funds - all funds	*(267,821)*	*941,647*	*(885,375)*	*63,528*	-	*(148,021)*
Trading	*(29,435)*	*398,578*	*(417,663)*	-	-	*(48,520)*
Job retention scheme	-	*70,713*	*(70,713)*	-	-	-
	(297,256)	*1,410,938*	*(1,373,751)*	*63,528*	-	*(196,541)*
Total Unrestricted funds	*474,864*	*1,410,938*	*(1,393,641)*	*1,045,059*	-	*1,537,220*
Endowment funds						
BISF Permanent	*238,318*	*471*	-	*14,965*	-	*253,754*
BISF Expendable	*124,925*	-	-	*(14,965)*	*30,041*	*140,001*
	363,243	*471*	-	-	*30,041*	*393,755*
Restricted funds						
Centre Development	*231,655*	-	*(19,643)*	-	-	*212,012*
Our Digital Future	*670,707*	*82,121*	*(123,603)*	-	-	*629,225*
Cultural Recovery	*23,684*	*236,630*	*(232,456)*	*(63,528)*	-	*(35,670)*
Cultural Cinema Programme	-	*29,000*	*(29,000)*	-	-	-

21. **Statement of funds (continued)**

Statement of funds - prior year (continued)

	Balance at 1 April 2021 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 March 2022* £
Strategic Cultural Partnerships	-	*65,500*	*(65,500)*	-	-	-
National Lottery	*1,044,666*	-	*(63,135)*	*(981,531)*	-	-
	1,970,712	*413,251*	*(533,337)*	*(1,045,059)*	-	*805,567*
Total of funds	*2,808,819*	*1,824,660*	*(1,926,978)*	-	*30,041*	*2,736,542*

Centre Development
The centre development fund represents donations and grants given to support the development of the centre.

Our Digital Future
The Our Digital Future fund represents donations and grants given to support the development of our Arts Centre and Cinema complex.

Cultural Recovery
The Cultural Recovery Fund represents grants provided by the Department for Digital, Culture, Media and Sport and administered by Arts Council England, to support organisations facing business interuption due to the COVID pandemic. The final payment for this fund was received in 2022-23.

Cultural Cinema Programme
The Cultural Cinema Programme represents grants given by the British Film Institute to support the cultural cinema programme.

Strategic Cultural Partnerships
The Strategic Cultural Partnerships represents grants given by South Lakeland District Council to deliver a broad and eclectic quality programme of cultural activity.

22. Summary of funds

Summary of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Designated funds	**1,733,761**	**-**	**(102,416)**	**-**	**-**	**1,631,345**
General funds	**(196,541)**	**1,922,999**	**(2,105,825)**	**240,000**	**-**	**(139,367)**
Endowment funds	**393,755**	**340**	**(1)**	**(240,000)**	**(4,407)**	**149,687**
Restricted funds	**805,567**	**182,170**	**(240,408)**	**-**	**-**	**747,329**
	2,736,542	**2,105,509**	**(2,448,650)**	**-**	**(4,407)**	**2,388,994**

Summary of funds - prior year

	Balance at 1 April 2021 £	*Income £*	*Expenditure £*	*Transfers in/out £*	*Gains/ (Losses) £*	*Balance at 31 March 2022 £*
Designated funds	*772,120*	-	*(19,890)*	*981,531*	-	*1,733,761*
General funds	*(297,256)*	*1,410,938*	*(1,373,751)*	*63,528*	-	*(196,541)*
Endowment funds	*363,243*	*471*	-	-	*30,041*	*393,755*
Restricted funds	*1,970,712*	*413,251*	*(533,337)*	*(1,045,059)*	-	*805,567*
	2,808,819	*1,824,660*	*(1,926,978)*	-	*30,041*	*2,736,542*

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2023 £	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	747,329	1,717,850	**2,465,179**
Fixed asset investments	149,687	-	100,000	**249,687**
Current assets	-	-	103,109	**103,109**
Creditors due within one year	-	-	(390,092)	**(390,092)**
Creditors due in more than one year	-	-	(38,889)	**(38,889)**
Total	149,687	747,329	1,491,978	**2,388,994**

23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Endowment funds 2022 £	*Restricted funds 2022* £	*Unrestricted funds 2022* £	*Total funds 2022* £
Tangible fixed assets	-	*755,044*	*1,948,713*	*2,703,757*
Current assets	*393,753*	*50,523*	*34,323*	*478,599*
Creditors due within one year	-	-	*(373,581)*	*(373,581)*
Creditors due in more than one year	-	-	*(72,233)*	*(72,233)*
Total	*393,753*	*805,567*	*1,537,222*	*2,736,542*

24. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	*Group 2022* £
Net expenditure for the year (as per Statement of Financial Activities)	**(347,548)**	*(72,277)*
Adjustments for:		
Depreciation charges	**248,651**	*249,067*
Dividends, interests and rents from investments	**(3,304)**	*(5,492)*
Loss on the sale of fixed assets	**21,741**	*14,342*
Increase in stocks	**(1,693)**	*(9,624)*
Decrease/(increase) in debtors	**46,105**	*(479)*
Increase in creditors	**16,500**	*21,171*
Fair value gain/(loss) in P&L	**4,407**	-
Net cash provided by/(used in) operating activities	**(15,141)**	*196,708*

25. Analysis of cash and cash equivalents

	Group 2023 £	*Group 2022* £
Cash in hand	**50,996**	*382,074*
Total cash and cash equivalents	**50,996**	*382,074*

26. Analysis of changes in net debt

	At 1 April 2022	Cash flows	Other non-cash changes	At 31 March 2023
	£	£	£	£
Cash at bank and in hand	382,074	(331,078)	-	50,996
Bank overdrafts repayable on demand	-	(2,120)	-	(2,120)
Debt due within 1 year	(33,323)	(33,323)	33,313	(33,333)
Debt due after 1 year	(72,233)	-	33,344	(38,889)
	276,518	(366,521)	66,657	(23,346)

27. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group by an independently administered fund (Royal London).

The group has also been part of a defined benefit scheme (Cumbria Local Government Pension Scheme), with the last remaining member of staff in this scheme leaving the organisation in 2020. A final valuation for this scheme has been received and the exit cost for this is included in the pension cost charge for the prior year.

The pension cost charge represents contributions payable by the group to both funds and amounted to £24,297 (2022 - £34,248). At the balance sheet date there was £3,811 payable to the funds and included in creditors.

28. Operating lease commitments

At 31 March 2023 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023	*Group 2022*
	£	*£*
Not later than 1 year	4,716	*4,716*
Later than 1 year and not later than 5 years	7,150	*11,866*
	11,866	*16,582*

29. Related party transactions

Related party transactions with Trustees are disclosed in note 11 of the financial statements.

There were no other related party transactions in the year.

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

England & Wales - Charity number 1086789

Accounts

Registered number: 03927101
Charity number: 1086789

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

ArmstrongWatson®
Accountants, Business & Financial Advisers

THE KENDAL BREWERY ART CENTRE TRUST LIMITED
(A company limited by guarantee)

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THE KENDAL BREWERY ART CENTRE TRUST LIMITED

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2022

Trustees	P Yarwood (resigned 20 May 2021) P L Whitehurst A J Preedy (resigned 19 August 2021) T R Clarke A Lawson D L Stevens S C H Poole L S R Davies A Senior (appointed 20 May 2021) N E Farrer (appointed 20 May 2021) S J Hunt (appointed 20 May 2021) S L H Newton (appointed 20 May 2021) L Chirwa (appointed 20 May 2021)
Company registered number	03927101
Charity registered number	1086789
Registered office	Brewery Arts 122A Highgate Kendal Cumbria LA9 4HE
Company secretary	H Askew
Chief executive officer	M Randall
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors Fairview House Victoria Place Carlisle Cumbria CA1 1HP
Bankers	Yorkshire Bank 7 Stricklandgate Kendal Cumbria LA9 4NB
Solicitors	Milne Moser Solicitors Westmorland House The Square Milnthorpe Cumbria LA7 7QJ

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also the directors of the charitable company ("the Charity") for the purposes of the Companies Act 2006, present their annual report on the affairs of the Charity, together with the financial statements and auditors' report, for the year ended 31 March 2022. The annual report and financial statements are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The reference and administrative information set out on page 1 forms part of this report. The financial statements have been prepared in accordance with the accounting policies set out in the notes and 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) (effective 1 January 2019).

Objectives and activities

a. Objectives and activities for public benefit

The Charity's main objectives are:

- to promote, maintain, improve and advance education particularly by the encouragement of the Arts and Crafts and the formulation, preparation and establishment of schemes to render the Arts accessible to the public;
- to promote the education of children by encouraging an interest in and understanding of the Arts and by running play schools for young children, and;
- for any other charitable purposes tending to encourage interest in the Arts which may be conveniently promoted in combination with the aforesaid purpose and which may include permitting Old Age Pensioners to use the premises of the Charity for the purpose of recreation or other leisure-time activities with the object of improving their conditions of life;
- to promote for the benefit of the inhabitants of Kendal, the South Lakes and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the quality of life of the said inhabitants.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives. In particular, the trustees consider how planned activities contribute to the aims and objectives. We are satisfied that each of our aims is charitable and that each is for public benefit, and we are confident that our activities are consistent with our objectives. The following paragraphs demonstrate that our activities deliver public benefit. While we rely on ticket sales as part of our income, we provide access at concessionary rates for performances and for classes wherever practicable.

The Charity sees its mission as offering the opportunity to all in its immediate and wider community to access a balanced and diverse programme of artistic and educational activity across art forms. We offer a high quality experience to audiences, participants and artists alike and encourage and support the professional development and well-being of our staff. We strive to develop audiences and artists and to encourage more people to engage with the arts at every level.

2021-22 was an exceptional year due to the continuing negative impact of the COVID-19 pandemic on attendance and associated revenue.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

b. Public benefit

We provide public benefit by meeting our charitable aims, and this is done by the provision of our programmes of music, theatre, dance, comedy, visual arts, literature and film and in the provision of education courses and classes which are all available to, and enjoyed by, a wide audience in the locality and the region.

In 2021-22 we reached 9,056 people through our artistic programme of performances, 32,599 through film screenings and stage on screen and 8,261 through our creative learning and engagement activities. We supported 22 ambitious and innovative artists to develop and showcase their practice through exhibitions, commissions and residency programmes. The number of children and young people included in the above figures is 13,110.

Strategic report

Achievements and performance

a. Creative learning & community engagement

Our Creative Learning programme continues to engage people of all ages, backgrounds and abilities. In 2021-22 we delivered a programme of activities for young people, adults, and older people. We delivered a total of 831 creative learning sessions, which were attended by 8,261 people. Of this figure, 4,421 attendees were children and young people between the ages of 3-19 years. Classes covered a range of artforms including visual art, dance, drama and music. Our elders' theatre company Act Your Age and our dance group Mature Movers continued to thrive.

We also introduced Future Creatives, a new strand of talent development events for people aged 18-30. This included free sessions to meet creative industry professionals and hear about their journey to developing a creative career and practice.

b. Film Programme

As one of the leading independent cinemas in the north west and a member of BFI Film Hub North, we present a rich programme of cultural film and selected blockbusters. Pre-Covid attendance for film screenings was 80,000 people per year. Although this figure dropped to 32,205 in 2021-22 due to the ongoing impact of the pandemic, our audience development activities continued to build awareness of film culture, and we established partnerships with organisations Anti Racist Cumbria and Cumbria Deaf Association to build more inclusive engagement, through co-programming and wraparound activities. We also continued to support young filmmakers and curators, through masterclasses and screenings with students at Kendal College, and through co-programming with our young Film Ambassadors Group.

c. Live events

Pre-Covid we attracted 50,000 people each year to our live programme of music, theatre, comedy, dance and spoken word. We engaged 9,350 people through live events in 2021-22, due to the ongoing impact of Covid. However, we continued to support artists and companies working in music, theatre and the performing arts, screening and commissioning new work, and maintaining partnerships. The live music programme is now almost back to full scale, showing an average of two live shows per week. Children's theatre has also returned, as has the stage on screen programme with National Theatre Live.

We partnered with Kendal Mountain Festival again to host the annual film festival and talks, marking a welcome return to this longstanding international event.

Strategic report (continued)

Achievements and performance (continued)

d. Artists' Support, commissions and digital content

We launched Future Creatives which provided free opportunities for young creatives to meet established professionals working in music, film and performing arts. The launch event featured a live discussion with our Ambassador, Pete Turner, of Elbow.

We supported Jack McNeill as our Artist in Residence, providing rehearsal space and project development support for the creation of Propellor // Flight, a cross-artform performance to take place in our theatre in autumn 2022.

The grass roots Verbalise spoken word programme continued to operate very successful open mic events throughout the year as we continued to host the events online, making them hybrid to increase access for disabled people.

We also contributed commissioning funds and in-kind workshop and screening space for Animated Futures, a filmmaking project for up to 30 young black and brown Cumbrians to build storytelling and creative skills while sharing the challenges of growing up in a 98% white county.

e. Our Digital Future - capital project

In 2021-22 we completed the Our Digital Future project, a programme of capital upgrades across the entire premises, modernising our venues and increasing their potential to provide exceptional experiences for artists and audiences.

The venue now includes a state of the art two-screen cinema complex with luxurious seating and giant screens, along with a new purpose-built boutique digital lounge for additional immersive screenings and gaming. The theatre, music venue, creative studios and warehouse were upgraded with new technology, for world-class live performances, audio visual presentations, creative learning and interactive exhibitions. New facilities for music and film production were also installed, placing a new digital-led talent development and production hub at the heart of our activities. These will support new programmes of residencies, workshops, community engagement and outreach projects.

f. Our Digital Future - capital project (continued)

Live streaming equipment has also been fitted throughout the venue, allowing events such as live music and theatre, festivals, conferences and weddings to be broadcast from the building to digital platforms and viewed anywhere in the world. Together with strengthened digital infrastructure across the site, this will transform the quality and scope of the services on offer to cultural partners and corporate clients.

The project was generously supported with £850,000 capital grant funding, which was secured before the pandemic and designated for improvements to the building and its infrastructure. The funds were awarded by Arts Council England, Cumbria LEP, South Lakeland District Council, Cumbria County Council, Kendal Town Council, Brewery Arts Centre Endowment Trust, The Garfield Weston Foundation, The Foyle Foundation, anonymous gifts and individual donations through a successful public appeal.

Strategic report (continued)

Finances

a. Financial review

We are grateful to key funders, Arts Council England, South Lakeland District Council, Kendal Town Council, Cumbria County Council and BFI Film Hub North, for their continued support to help us maintain the valuable work we do. We are also grateful for the continued support received from the Brewery Arts Centre Endowment Trust and a range of trusts and foundations.

Grants received from public sources were vital in enabling us to survive the impacts of the pandemic. In addition to continuing to provide our annual funding, we received the following emergency Covid funding:

- Arts Council England: £236,630 from the Culture Recovery Fund
- South Lakeland District Council: £24,000 Covid Emergency grants
- Grants totalling £70,713 under the central government Covid Job Retention Scheme

The 2021-22 financial year also saw the receipt of a small proportion of the grant funding for the Our Digital Future project, totalling £82,121 in the year.

The charity benefited from the support of 41 volunteers during the year who donated 2,400 hours of time by acting as front of house and gardening volunteers.

Our wholly-owned subsidiary, Kendal Catering Company Limited (KCC), operates the food, drink and car park activities within The Brewery site. This is an important part of our 'offer' to people attending all of our venues. The ongoing impact of Covid meant that KCC did not break even at the year-end. In recognition of the emergency funding received by the charity, the trustees took the decision to waive the management charge to KCC for 2021-22. The management charge is being charged again by the charity in 2022-23 (at a minimum of 50% of the full costs to reflect the developmental year of recovery). Management charges will be charged by the charity at 100% in 2023-24 onwards.

A VAT liability relating to education sales has arisen due to a review of the use of partial VAT exemption on education sales. The partial exemption will no longer be applied. This reduction in sales and VAT liability has been recognised in the accounts.

Unrestricted net income before transfers was £17,297 in the financial year 2021-22.

b. Investment policy and performance

The trustees' investment powers are governed by the Articles of Association, which permits the Charity's funds to be invested as the trustees see fit and in a manner which is beneficial for the achievement of the Charity's objects.

The Charity invests endowment funds which were donated to it for the express purpose of generating income to further its objectives. In previous years these funds were managed by Legal & General Investment Management Limited, and held in an Index Tracker Fund. During the year the Trustees carried out a review and subsequently appointed Rathbones to manage the endowment fund. The new investment vehicle offers a more diverse investment portfolio, guaranteed index performance, and is a cost-effective way of maintaining equity market exposure for the Trust. At the year end date the investment was held as cash before being invested with Rathbones in the 2022-23 financial year.

The trustees agreed to release £140,000 of the expendable fund for use in 2022-23 for post-Covid recovery of the charity. A further decision to release up to £100,000 of the endowment was made by Trustees in December 2022 to meet the outstanding VAT liability and other additional costs incurred in the 2022-23 financial year. As this is from the permanent endowment fund permission is being sought from the Charity Commission for this change of use.

c. Risk management

The trustees review the risks to which the Charity is exposed. The Charity follows accepted health and safety procedures in all its activities to minimise the likelihood of harm to staff, performers, volunteers, clients and visitors to the Arts Centre. The trustees consider that, as far as is currently practical, suitable systems, internal controls and insurances are in place to mitigate risks.

Even before the impact of the pandemic, financial sustainability was identified as a risk for the Charity as deficits were incurred between 2016-2019. The Charity does not hold significant levels of reserves to support volatility in financial performance.

Capital investment completed in 2021-22 will increase income potential from facilities, including artistic and trading revenue from our significantly improved bar and restaurant services. In 2022-23 financial strategy and operations are being significantly improved and closely monitored, following the successful appointment of a new Director of Finance & Business Development and new Auditors.

The new financial strategy will address risk by improving the Charity's financial performance to generate additional income and return the Charity to annual surpluses that create free reserves.

d. Reserves policy

Total funds at 31 March 2022 amount to £2,736,542 of which £393,756 is held in endowment and £805,568 in restricted funds. The designated funds amounted to £1,733,760, representing the net book value of the buildings acquired with unrestricted funds. This year saw the expiry of the Arts Council charge over the Brewery Arts buildings. This has resulted in a transfer from restricted to designated funds in the year. Other than depreciation no material expenditure is expected from the buildings designated fund in the forthcoming year.

General unrestricted undesignated funds are in deficit at 31 March 2022 at (£196,542), an improvement of £100,715 on the opening position. This improvement is in part due to the transfer from the cultural recovery fund of £63,528 representing the amounts agreed to reinflate reserves, with the understanding that it could be used in 2022 onwards if required.

The trustees reviewed the reserves policy and consider that the level of free reserves (that is those items not tied up in fixed assets and restricted funds) required to sustain its operations should be equivalent to three months' worth of annual expenditure on support costs and overheads (25% of budget). The reserves are needed to meet the working capital requirements of the Charity. The current reserves target is £276,852. Free reserves are currently £0 but the Charity's financial strategy aims to build reserves incrementally year-on-year and to reach target within the next 5 years.

The strategy for building reserves is as follows: -

1 to introduce a new 5-year organisational strategy in 2023 to strengthen the business model, increase commercial profitability, widen private and grant income streams and secure the future development of the Charity;
2 to set operating budgets that generate annual cash surpluses for reinvestment in the Charity; and
3 to maximise income generation opportunities provided by the Capital improvements, improving the facilities and the marketability of commercial operations and through appeals and fundraising around the 50th Anniversary.

This will be achieved by:

1 carrying out a comprehensive review of artistic and business strategy and operations;
2 implementing a new financial strategy that will support our creative and commercial growth;
3 regularly reviewing pricing levels for arts, cinema, education and other activities;
4 maintaining tight control of costs;
5 ensuring that all working procedures and staffing levels are economic and efficient; and
6 broadening the funding base of the Charity by seeking new partnerships and new sources of grant funding, sponsorship, legacies and donations.

e. Plans for future periods

Work continues to:-

- increase public benefit and engagement through new world-class programmes and audience development strategies;
- ensure our work is progressive and values-led, providing inclusive and relevant programmes for our communities;
- strengthen existing partnerships and develop new ones to enhance our work and the impact of the region;
- build our donor base and membership schemes, focusing on our 50th Anniversary year in 2022-23;
- explore long term funding opportunities for the major capital development of the Brewery site, including new production facilities for artists and companies working across disciplines such as music, film, digital art and the performing arts;
- ensure we maximise our business potential to support our charitable aims;
- be environmentally responsible with regards to the climate emergency.

Structure, governance and management

a. Governing document

The Charity is a company limited by guarantee and a registered charity. It is governed by its Memorandum and Articles of Association which were updated by special resolution on 14 February 2006.

b. Recruitment and appointment of trustees

The trustees are elected by the company at the Annual General Meeting in accordance with the Articles of Association. Two long serving trustees resigned during the financial year, but five new trustees were appointed in May 2021. The trustees who served during the year are set out on page 1.

c. Trustee induction and training

An induction pack is available to any new trustee which includes a copy of the Memorandum and Articles of Association, a summary of the Charity's objectives, a copy of the Charity Commission's guide on the duties of a trustee and the most recent financial statements.

d. Organisational structure

The Charity has a wholly-owned subsidiary, Kendal Catering Company Limited, which manages the provision of bar and catering facilities within the Arts Centre and at other outlets. The Board of Kendal Catering Company meets regularly to oversee the work of this company.

The trustees have regular access to information regarding the programme and financial performance of the trust and meet at least every quarter. The Board has a Finance Sub-Committee and other ad hoc committees/working groups are set up to consider specific issues where needed. All Trustees' meetings and committee meetings are attended by the Chief Executive.

Our key funders are all invited to send observers to the Trustees' Meetings. These funders are:- Arts Council England, South Lakeland District Council and Kendal Town Council.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

e. Fundraising methodology

Whilst the majority of the Charity's income is generated through its charitable activities, it is also reliant on grants and voluntary donations to enable it to deliver its high-quality, diverse artistic programme.

The majority of this income is provided by way of grants from arts funders (primarily Arts Council England), local government (South Lakeland District Council and Kendal Town Council) and other grant-awarding bodies on an ad-hoc basis. A relatively small amount of donations is received from people attending events and from the general public. These are typically focused on major capital projects, such as the Our Digital Future project.

As this additional income is critical to the on-going development of The Brewery, the Charity employs one member of staff dedicated to fundraising, primarily through making grant applications. During the financial year, the Charity was not subject to an undertaking to be bound by any voluntary scheme for regulating fund-raising, or any voluntary standard of fund-raising, in respect of activities on behalf of the Charity. However, the activities of the Fundraising Manager are monitored by the Director of Finance & Business Development, to ensure that they are in-line with internal policies and procedures.

The Charity did not receive any complaints during the year concerning the Charity's fundraising activities.

The Charity is committed to protecting vulnerable people and other members of the public from the following behaviour in the course of, or in connection with, its fundraising activities:

a) unreasonable intrusion on a person's privacy;

b) unreasonably persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the Charity;

c) placing undue pressure on a person to give money or other property.

f. Key management personnel remuneration

The Trustees consider the board of Trustees and the Chief Executive as comprising the key management personnel of the Charity in charge of directing and controlling the Charity and running and operating the Charity on a day-to-day basis. The remuneration paid to the Chief Executive and the expenses reimbursed to them are disclosed in note 13 to the financial statements. The Trustees give their time freely and no Trustee remuneration was paid to them during the year.

Trustees are required to disclose all relevant interests to other trustees and withdraw from decisions where a conflict of interest arises. Any benefit received by trustees, staff and volunteers is purely incidental to the objects of the Charity.

An annual pay review across the Group took place during the year and was approved by the trustees. The review took account of a range of data including pay levels in the local area and provincial art centres in the north-west UK. The review also considered the impact of the National Living Wage and being able to maintain appropriate differentials in pay levels right through the overall structure.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the 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 financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Terence Richard Clarke (Jan 30, 2023 16:00 GMT)

.....

T R Clarke
(Chair of Trustees)
Date: 30/01/2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KENDAL BREWERY ART CENTRE TRUST LIMITED

Opinion

We have audited the financial statements of The Kendal Brewery Art Centre Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KENDAL BREWERY ART CENTRE TRUST LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KENDAL BREWERY ART CENTRE TRUST LIMITED (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KENDAL BREWERY ART CENTRE TRUST LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the not for profit sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KENDAL BREWERY ART CENTRE TRUST LIMITED (CONTINUED)

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Karen Rae (Jan 31, 2023 12:03 GMT)

Karen Rae (FCCA) (Senior statutory auditor)
for and on behalf of
Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors
Carlisle

Date: 31/01/2023

THE KENDAL BREWERY ART CENTRE TRUST LIMITED

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Endowment funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	*As restated Total funds 2021* £
Income and endowments from:						
Donations and legacies	3	**471**	**413,251**	**455,021**	**868,743**	*1,203,439*
Charitable activities	4	**-**	**-**	**481,134**	**481,134**	*126,357*
Other trading activities	5	**-**	**-**	**398,578**	**398,578**	*61,406*
Investments	6	**-**	**-**	**5,492**	**5,492**	*9,569*
Other income	7	**-**	**-**	**70,713**	**70,713**	*447,599*
Total income and endowments		**471**	**413,251**	**1,410,938**	**1,824,660**	*1,848,370*
Expenditure on:						
Raising funds	8	**-**	**-**	**488,318**	**488,318**	*362,087*
Charitable activities	9	**-**	**533,337**	**905,323**	**1,438,660**	*1,157,277*
Total expenditure		**-**	**533,337**	**1,393,641**	**1,926,978**	*1,519,364*
Net income/(expenditure) before net gains on investments		**471**	**(120,086)**	**17,297**	**(102,318)**	*329,006*
Net gains on investments		**30,041**	**-**	**-**	**30,041**	*67,353*
Net income/(expenditure)		**30,512**	**(120,086)**	**17,297**	**(72,277)**	*396,359*
Transfers between funds	21	**-**	**(1,045,059)**	**1,045,059**	**-**	-
Net movement in funds		**30,512**	**(1,165,145)**	**1,062,356**	**(72,277)**	*396,359*
Reconciliation of funds:						
Total funds brought forward		**363,243**	**1,970,712**	**474,864**	**2,808,819**	*2,412,460*
Net movement in funds		**30,512**	**(1,165,145)**	**1,062,356**	**(72,277)**	*396,359*
Total funds carried forward		**393,755**	**805,567**	**1,537,220**	**2,736,542**	*2,808,819*

THE KENDAL BREWERY ART CENTRE TRUST LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 03927101

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note		2022 £		*As restated 2021 £*
Fixed assets					
Tangible assets	14		**2,703,757**		*2,776,493*
Investments	15		**-**		*360,661*
			2,703,757		*3,137,154*
Current assets					
Stocks	16	**15,463**		*5,839*	
Debtors	17	**81,062**		*90,088*	
Cash at bank and in hand		**382,074**		*43,209*	
		478,599		*139,136*	
Creditors: amounts falling due within one year	18	**(373,581)**		*(361,915)*	
Net current assets / Liabilities			**105,018**		*(222,779)*
Total assets less current liabilities			**2,808,775**		*2,914,375*
Creditors: amounts falling due after more than one year	19		**(72,233)**		*(105,556)*
Total net assets			**2,736,542**		*2,808,819*
Charity funds					
Endowment funds	21		**393,755**		*363,243*
Restricted funds	21		**805,567**		*1,970,712*
Unrestricted funds	21		**1,537,220**		*474,864*
Total funds			**2,736,542**		*2,808,819*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Terence Richard Clarke (Jan 30, 2023 16:00 GMT)

.....

T R Clarke
Trustee
Date: 30/01/2023

The notes on pages 19 to 40 form part of these financial statements.

THE KENDAL BREWERY ART CENTRE TRUST LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 03927101

CHARITY BALANCE SHEET
AS AT 31 MARCH 2022

	Note		2022 £		As restated 2021 £
Fixed assets					
Tangible assets	14		**2,694,779**		*2,753,942*
Investments	15		**49,900**		*410,561*
			2,744,679		*3,164,503*
Current assets					
Debtors	17	**82,836**		*73,555*	
Cash at bank and in hand		**369,436**		*26,888*	
		452,272		*100,443*	
Creditors: amounts falling due within one year	18	**(339,658)**		*(321,136)*	
Net current assets / Liabilities			**112,614**		*(220,693)*
Total assets less current liabilities			**2,857,293**		*2,943,810*
Creditors: amounts falling due after more than one year	19		**(72,233)**		*(105,556)*
Total net assets			**2,785,060**		*2,838,254*
Charity funds					
Endowment funds	21		**393,756**		*363,243*
Restricted funds	21		**805,569**		*1,970,712*
Unrestricted funds	21		**1,585,735**		*504,299*
Total funds			**2,785,060**		*2,838,254*

The Charity's net movement in funds for the year was £(53,194) *(2021 - £389,999)*.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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T R Clarke
Trustee
Date: 30/01/2023

The notes on pages 19 to 40 form part of these financial statements.

THE KENDAL BREWERY ART CENTRE TRUST LIMITED

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	*2021 £*
Cash flows from operating activities		
Net cash used in operating activities	**196,707**	*237,320*
Cash flows from investing activities		
Dividends, interests and rents from investments	**5,492**	*9,570*
Purchase of tangible fixed assets	**(190,673)**	*(563,671)*
Proceeds from sale of investments	**360,661**	-
Net cash provided by/(used in) investing activities	**175,480**	**(554,101)**
Cash flows from financing activities		
Cash inflows from new borrowing	**-**	*150,000*
Repayments of borrowing	**(33,322)**	*(11,111)*
Net cash (used in)/provided by financing activities	**(33,322)**	**138,889**
Change in cash and cash equivalents in the year	**338,865**	**(177,892)**
Cash and cash equivalents at the beginning of the year	**43,209**	*221,101*
Cash and cash equivalents at the end of the year	**382,074**	*43,209*

The notes on pages 19 to 40 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

The Kendal Brewery Arts Centre Trust Limited is a company limited by guarantee and accordingly does not have a share capital, registered in England and Wales. Every member of the company undertakes to contribute £10 in the event of the charitable company being wound up while he or she is a member.

The company number, charity number and address of the Registered Office are given in the reference and administration information on page 1 of these financial statements. The principal nature of the charity's operations is to promote for the benefit of the inhabitants of Kendal, the South Lakes and the surrounding area the provision of facilities for arts, education, recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances and for the public at large in the interests of social welfare and with the object of improving the quality of life of the said inhabitants.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Kendal Brewery Art Centre Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including annual budget and future cashflows in making their assessment. The following information has been key to this process.

Overall, the charity has improved its unrestricted undesignated deficit position in the year. With the subsidiary company position worsening, whilst the charity deficit improved, overall it does remain in deficit. However at the end of the financial year the net working capital ratio, current ratio and debt to asset ratio have all improved.

The charity owns its building and land, giving it a very strong solvency ratio. It also has Endowment funds which are invested prudently to generate annual income.

Operating and Capital Budgets for future years have been designed to generate cash positive balances, including surplus balances for the subsidiary company. In response to the current economic climate the Trustees have tested their cash flow analysis to take into account possible impacts alongside mitigations that could be taken.

2. Accounting policies (continued)

2.2 Going concern (continued)

The following funding has been secured:

Arts Council England funding has been secured for a further three years from 2023 to 2026.

Local Authority funding has been secured for a further year from 2023 to 2024.

BFI have invited the charity to re-apply for continued annual strategic partnership funding from 2023 to 2024.

Key clients Kendal Mountain Festival, Kendal College, Brathay Trust, Opera North and a range of schools have confirmed the charity as their venue and programme partner for 2023.

Confirmed programme for 2023-24 includes a year-round schedule of internationally renowned acts in music, comedy, theatre, and cinema attendance is expected to improve significantly due to recovery of the UK and International sector, with a strong slate of film titles available from January 2023 onwards.

The Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Activity income is included when receivable. Any income received in advance of a performance or the provision of another service is deferred until the criteria for income are met.

Catering activities are carried out by Kendal Catering Company Limited whose profits are payable to The Kendal Brewery Arts Centre Trust Limited via a distribution if there are sufficient reserves to do so. The income is included when receivable.

In accordance with the Charities SORP (FRS 102) the general volunteer time is not recognised as income. The Trustees' annual report contains information regarding their contribution.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%
Plant and machinery	-	10%
Fixtures, fittings & bar equipment	-	10%
Computer equipment	-	25%

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Debtors

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

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2. Accounting policies (continued)

2.13 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.14 Financial instruments

The Group 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.

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The group also operated a defined benefits pension scheme as a member of the Cumbria Local Government Pension Scheme. This is a multi-employer defined benefit scheme and the assets are held separately from those of the charity. The last member of this scheme ceased employment in 2020 and the charity's share of the scheme's assets and liabilities have been identified via a termination summary paper. The closing liability has been fully recognised in the financial statements in line with FRS 102.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

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 are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

3. Income from donations and legacies

	Endowment funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 as restated £*
Grants					
Arts Council - NPO	-	-	327,776	**327,776**	*327,776*
Arts Council - Cultural Recovery	-	236,630	-	**236,630**	*203,315*
Arts Council - ODF	-	82,121	-	**82,121**	*330,521*
Arts Council - Catalyst	-	-	-	**-**	*1,888*
South Lakeland District Council	-	65,500	-	**65,500**	*65,500*
Covid support	-	-	6,000	**6,000**	*39,250*
Brewery Arts Centre Endowment Trust	-	-	66,000	**66,000**	*67,200*
Cumbria County Council	-	-	10,000	**10,000**	*10,000*
CCC - ODF	-	-	-	**-**	*99,991*
Kendal Town Council	-	-	10,000	**10,000**	*10,000*
Film Hub North	-	29,000	-	**29,000**	*20,000*
Other Grants					
SLDC Restart grant	-	-	18,000	**18,000**	-
Other grant income	-	-	-	**-**	*400*
Subtotal detailed disclosure	-	413,251	437,776	**851,027**	*1,175,841*
Donations	471	-	17,245	**17,716**	*27,598*
Subtotal	471	-	17,245	**17,716**	*27,598*
	471	413,251	455,021	**868,743**	*1,203,439*
Total 2021 as restated	*570*	*651,227*	*551,642*	*1,203,439*	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 as restated* £
Cinema	204,869	**204,869**	*24,610*
Stage on screen	4,207	**4,207**	*60*
Adult Education	8,238	**8,238**	*3,038*
Youth Education	2,000	**2,000**	*12,073*
Theatre, Dance & Literature	73,334	**73,334**	*66,837*
Music	65,924	**65,924**	*11,713*
Comedy	32,813	**32,813**	*8,026*
Funded Projects	59,406	**59,406**	-
Other income	30,343	**30,343**	-
	481,134	**481,134**	*126,357*

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021* £
Bar & catering	374,497	**374,497**	*57,469*
Car park income	23,353	**23,353**	-
Other income	728	**728**	*3,937*
	398,578	**398,578**	*61,406*

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021* £
Income from local listed investments	5,492	**5,492**	*9,569*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

7. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Coronavirus Job Retention Scheme	70,713	**70,713**	*447,599*

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Wages and salaries	32,845	**32,845**	*31,196*
National Insurance	3,203	**3,203**	-
Pensions	1,321	**1,321**	-
Direct costs	221	**221**	-
Support costs	3,954	**3,954**	*10,969*
	41,544	**41,544**	*42,165*

Other trading expenses

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Cost of sales	138,055	**138,055**	*33,000*
Administration expenses	45,406	**45,406**	*26,241*
Administration staff costs	251,366	**251,366**	*260,681*
Car park costs	2,024	**2,024**	-
Administration depreciation	9,923	**9,923**	-
	446,774	**446,774**	*319,922*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

9. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total 2022 £	*As restated Total 2021 £*
Cinema	29,000	251,413	**280,413**	*136,440*
Stage on screen	-	34,929	**34,929**	*13,815*
Live events	42,633	267,064	**309,697**	*108,979*
Creative learning	16,375	81,599	**97,974**	*41,532*
Education & Outreach	25,425	140,283	**165,708**	-
Support costs	419,904	130,035	**549,939**	-
Education & Outreach	-	-	**-**	*90,718*
Support costs	-	-	**-**	*765,793*
	533,337	905,323	**1,438,660**	*1,157,277*
Total 2021 as restated	*598,011*	*559,266*	*1,157,277*	

10. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	*As restated Total funds 2021 £*
Cinema	145,082	135,331	**280,413**	*136,440*
Stage on screen	2,241	32,688	**34,929**	*13,815*
Live events	99,773	209,923	**309,696**	*108,979*
Creative learning	34,885	63,089	**97,974**	*41,532*
Education & outreach	38,039	127,669	**165,708**	*90,718*
Support costs	-	549,940	**549,940**	*765,793*
	320,020	1,118,640	**1,438,660**	*1,157,277*
Total 2021 as restated	*153,918*	*1,003,359*	*1,157,277*	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

11. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £13,475 *(2021 - £5,000)*, and financial statement preparation fees of £4,150 (*2021 - £2,000*).

12. Staff costs

	Group 2022 £	*Group 2021 £*	**Charity 2022 £**	*Charity 2021 £*
Wages and salaries	**750,234**	*922,317*	**516,642**	*678,534*
Social security costs	**50,284**	*51,762*	**36,902**	*39,074*
Contribution to defined contribution pension schemes	**34,248**	*22,317*	**29,856**	*18,107*
	834,766	*996,396*	**583,400**	*735,715*

The average number of persons employed by the Group during the year was as follows:

	Group 2022 No.	*Group 2021 No.*	**Charity 2022 No.**	*Charity 2021 No.*
Administration and management	**10**	*11*	**10**	*11*
Bar and catering	**21**	*22*	**-**	*-*
Support	**13**	*18*	**13**	*18*
Activity	**9**	*18*	**9**	*18*
	53	*69*	**32**	*47*

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity comprise the Trustees and the Chief Executive. The total employee benefits of the key management personnel including any employer pension contributions were £63,024 (2021 - £61,856).

13. Trustees' remuneration and expenses

During the year, one or more Trustees has been paid remuneration or has received other benefits from an employment with the Charity. A Trustee was paid £90 for services provided during the year (2021 - £nil). At the year end, £90 was included in trade creditors in respect of this invoice.

During the year ended 31 March 2022, expenses totalling £Nil were reimbursed or paid directly to Trustees (2021 - £Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

14. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2021	**4,380,369**	**148,197**	**930,710**	**265,140**	**5,724,416**
Additions	**-**	**-**	**179,735**	**10,938**	**190,673**
Disposals	**-**	**(130,082)**	**(177,666)**	**(17,554)**	**(325,302)**
At 31 March 2022	**4,380,369**	**18,115**	**932,779**	**258,524**	**5,589,787**
Depreciation					
At 1 April 2021	**2,426,086**	**125,646**	**361,126**	**35,066**	**2,947,924**
Charge for the year	**83,025**	**9,923**	**92,286**	**63,762**	**248,996**
On disposals	**-**	**(126,432)**	**(166,904)**	**(17,554)**	**(310,890)**
At 31 March 2022	**2,509,111**	**9,137**	**286,508**	**81,274**	**2,886,030**
Net book value					
At 31 March 2022	**1,871,258**	**8,978**	**646,271**	**177,250**	**2,703,757**
At 31 March 2021	*1,954,283*	*22,551*	*569,585*	*230,074*	*2,776,493*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

14. Tangible fixed assets (continued)

Charity

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2021	**4,380,369**	**930,710**	**265,140**	**5,576,219**
Additions	**-**	**179,735**	**10,938**	**190,673**
Disposals	**-**	**(177,666)**	**(17,554)**	**(195,220)**
At 31 March 2022	**4,380,369**	**932,779**	**258,524**	**5,571,672**
Depreciation				
At 1 April 2021	**2,426,086**	**361,126**	**35,066**	**2,822,278**
Charge for the year	**83,025**	**92,286**	**63,762**	**239,073**
On disposals	**-**	**(166,904)**	**(17,554)**	**(184,458)**
At 31 March 2022	**2,509,111**	**286,508**	**81,274**	**2,876,893**
Net book value				
At 31 March 2022	**1,871,258**	**646,271**	**177,250**	**2,694,779**
At 31 March 2021	*1,954,283*	*569,585*	*230,074*	*2,753,942*

The Arts Council of England charge over the Arts Centre site comprising the group's freehold land and buildings is now fully satisfied.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

15. Fixed asset investments

Charity	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	**49,900**
At 31 March 2022	**49,900**
Net book value	
At 31 March 2022	**49,900**
At 31 March 2021	*49,900*

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
Kendal Catering Company Limited	01064847	Brewery Arts, 122a Highgate, Kendal, Cumbria, England, LA9 4HE	Catering

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Kendal Catering Company Limited	**427,690**	**(446,775)**	**(19,085)**	**1,480**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

16. Stocks

	Group 2022 £	*Group 2021 £*
Finished goods and goods for resale	**15,463**	*5,839*

17. Debtors

	Group 2022 £	*Group 2021 £*	Charity 2022 £	*Charity 2021 £*
Due within one year				
Trade debtors	**5,590**	*8,558*	**5,229**	*8,558*
Amounts owed by group undertakings	**-**	*-*	**3,006**	*-*
Prepayments and accrued income	**75,472**	*81,530*	**74,601**	*64,997*
	81,062	*90,088*	**82,836**	*73,555*

18. Creditors: Amounts falling due within one year

	Group 2022 £	*Group 2021 £*	Charity 2022 £	*Charity 2021 £*
Bank loans	**33,323**	*33,333*	**33,323**	*33,333*
Trade creditors	**61,217**	*103,734*	**48,513**	*103,465*
Amounts owed to group undertakings	**-**	*-*	**-**	*7*
Other taxation and social security	**71,898**	*36,304*	**60,399**	*15,798*
Other creditors	**53,165**	*39,098*	**52,676**	*19,087*
Accruals and deferred income	**153,978**	*149,446*	**144,747**	*149,446*
	373,581	*361,915*	**339,658**	*321,136*

There is a charge in place for the bank loan by way of a first ranking debenture over all of the property and assets of the charity.

Included in other creditors is a termination payment of £18,600 payable to the Cumbria Local Government Pension Scheme. This is the final liability due on the defined benefit pension scheme, and following payment the charity will no longer be part of the scheme.

19. Creditors: Amounts falling due after more than one year

	Group 2022 £	*Group 2021 £*	Charity 2022 £	*Charity 2021 £*
Bank loans	**72,233**	*105,556*	**72,233**	*105,556*

There is a charge in place for the bank loan by way of a first ranking debenture over all of the property and assets of the charity.

20. Prior year restatement of comparatives

Depreciation restated
The depreciation charge in the accounts has been restated to reverse a previous change in accounting policy to better align the treatment with the standard accounting practice. The impact of this has been an increase in depreciation charged of £37,192 in 2021 and depreciation of £222,677 being charged to 2020 and before. The total impact on the brought forward reserves was £259,869.

Funds analysis restated
The prior year restricted fund has been adjusted to account for a £23,684 transfer made by the subsidiary company in error. The total impact was a £23,684 increase to reserves.

Consolidated balance sheet restated
Due to the adjustments described above, the balance sheet has been restated to properly reflect the intercompany and fixed asset positions as at the 2021 year end.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
Designated funds						
Buildings fund	**772,120**	**-**	**(19,890)**	**981,531**	**-**	**1,733,761**
General funds						
General Funds - all funds	**(267,821)**	**941,647**	**(885,375)**	**63,528**	**-**	**(148,021)**
Job retention scheme	**-**	**70,713**	**(70,713)**	**-**	**-**	**-**
Trading	**(29,435)**	**398,578**	**(417,663)**	**-**	**-**	**(48,520)**
	(297,256)	**1,410,938**	**(1,373,751)**	**63,528**	**-**	**(196,541)**
Total Unrestricted funds	**474,864**	**1,410,938**	**(1,393,641)**	**1,045,059**	**-**	**1,537,220**
Endowment funds						
BISF Permanent	**238,318**	**471**	**-**	**14,965**	**-**	**253,754**
BISF Expendable	**124,925**	**-**	**-**	**(14,965)**	**30,041**	**140,001**
	363,243	**471**	**-**	**-**	**30,041**	**393,755**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

21. Statement of funds (continued)

Restricted funds						
National Lottery	**1,044,666**	**-**	**(63,135)**	**(981,531)**	**-**	**-**
Centre Development	**231,655**	**-**	**(19,643)**	**-**	**-**	**212,012**
Our Digital Future	**670,707**	**82,121**	**(123,603)**	**-**	**-**	**629,225**
Cultural Recovery	**23,684**	**236,630**	**(232,456)**	**(63,528)**	**-**	**(35,670)**
Cultural Cinema Programme	**-**	**29,000**	**(29,000)**	**-**	**-**	**-**
Strategic Cultural Partnerships	**-**	**65,500**	**(65,500)**	**-**	**-**	**-**
	1,970,712	**413,251**	**(533,337)**	**(1,045,059)**	**-**	**805,567**
Total of funds	**2,808,819**	**1,824,660**	**(1,926,978)**	**-**	**30,041**	**2,736,542**

National Lottery
The National Lottery Charities Board (Via Arts Council England) funded projects for the redevelopment of the site. As part of this support Arts Council England took a charge on the buildings for 20 years, which expired in 2021. As this fund is no longer restricted, the balance has been transferred to the designated buildings fund.

Centre Development
The centre development fund represents donations and grants given to support the development of the centre.

Our Digital Future
The Our Digital Future fund represents donations and grants given to support the development of our Arts Centre and Cinema complex.

Cultural Recovery
The Cultural Recovery Fund represents grants provided by the Department for Digital, Culture, Media and Sport and administered by Arts Council England, to support organisations facing business interruption due to the COVID pandemic. £63,528 was allocated to improve general reserves, this amount is shown as a transfer to general funds in the year. The negative balance represents the final payment of the grant that was reported on and received in 2022-23.

Cultural Cinema Programme
The Cultural Cinema Programme represents grants given by the British Film Institute to support the cultural cinema programme.

Strategic Cultural Partnerships
The Strategic Cultural Partnerships represents grants given by South Lakeland District Council to deliver a broad and eclectic quality programme of cultural activity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2020 £	*As restated Income* £	*As restated Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 March 2021* £
Unrestricted funds						
Designated funds						
Buildings fund	*792,009*	-	*(19,890)*	-	-	*772,119*
General funds						
General Funds - all funds	*(298,955)*	*929,710*	*(901,461)*	*2,070*	*816*	*(267,820)*
Non charitable trading funds	*(5,751)*	*296,238*	*(319,922)*	-	-	*(29,435)*
	(304,706)	*1,225,948*	*(1,221,383)*	*2,070*	*816*	*(297,255)*
Total Unrestricted funds	*487,303*	*1,225,948*	*(1,241,273)*	*2,070*	*816*	*474,864*

	Balance at 1 April 2020 £	*As restated Income* £	*As restated Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 March 2021* £
Endowment funds						
BISF Permanent	*237,749*	*569*	-	-	-	*238,318*
BISF Expendable	*58,388*	-	-	-	*66,537*	*124,925*
	296,137	*569*	-	-	*66,537*	*363,243*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

21. Statement of funds (continued)

	Balance at 1 April 2020 £	*As restated Income* £	*As restated Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 March 2021* £
Restricted funds						
National Lottery	*1,107,801*	-	*(63,136)*	-	-	*1,044,665*
Centre Development	*254,717*	-	*(20,992)*	*(2,070)*	-	*231,655*
Our Digital Future	*266,502*	*442,512*	*(38,306)*	-	-	*670,708*
Cultural Recovery	-	*208,315*	*(184,631)*	-	-	*23,684*
Dream Scheme Funding	-	*400*	*(400)*	-	-	-
Job Retention Scheme	-	*266,863*	*(266,863)*	-	-	-
	1,629,020	*918,090*	*(574,328)*	*(2,070)*	-	*1,970,712*
Total of funds	*2,412,460*	*2,144,607*	*(1,815,601)*	-	*67,353*	*2,808,819*

22. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	**Income** £	**Expenditure** £	**Transfers in/out** £	**Gains/ (Losses)** £	**Balance at 31 March 2022** £
Designated funds	**772,120**	**-**	**(19,890)**	**981,531**	**-**	**1,733,761**
General funds	**(297,256)**	**1,410,938**	**(1,373,751)**	**63,528**	**-**	**(196,541)**
Endowment funds	**363,243**	**471**	**-**	**-**	**30,041**	**393,755**
Restricted funds	**1,970,712**	**413,251**	**(533,337)**	**(1,045,059)**	**-**	**805,567**
	2,808,819	**1,824,660**	**(1,926,978)**	**-**	**30,041**	**2,736,542**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

22. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 April 2020 £	*As restated Income* £	*As restated Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 March 2021* £
Designated funds	*792,009*	*-*	*(19,890)*	*-*	*-*	*772,119*
General funds	*(304,706)*	*1,225,948*	*(1,221,383)*	*2,070*	*816*	*(297,255)*
Endowment funds	*296,137*	*569*	*-*	*-*	*66,537*	*363,243*
Restricted funds	*1,629,020*	*918,090*	*(574,328)*	*(2,070)*	*-*	*1,970,712*
	2,412,460	*2,144,607*	*(1,815,601)*	*-*	*67,353*	*2,808,819*

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2022 £	**Restricted funds 2022** £	**Unrestricted funds 2022** £	**Total funds 2022** £
Tangible fixed assets	-	755,044	1,948,713	**2,703,757**
Current assets	393,753	50,523	34,323	**478,599**
Creditors due within one year	-	-	(373,581)	**(373,581)**
Creditors due in more than one year	-	-	(72,233)	**(72,233)**
Total	393,753	805,567	1,537,222	**2,736,542**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Endowment funds 2021 £	*Restricted funds 2021* £	*Unrestricted funds 2021* £	*Total funds 2021* £
Tangible fixed assets	-	*1,947,029*	*829,464*	*2,776,493*
Fixed asset investments	*363,244*	-	*(2,583)*	*360,661*
Current assets	-	*23,684*	*115,452*	*139,136*
Creditors due within one year	-	-	*(361,915)*	*(361,915)*
Creditors due in more than one year	-	-	*(105,556)*	*(105,556)*
Total	*363,244*	*1,970,713*	*474,862*	*2,808,819*

24. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £	*Group 2021* £
Net income/expenditure for the year (as per Statement of Financial Activities)	**(72,277)**	*396,359*
Adjustments for:		
Depreciation charges	**249,067**	*133,140*
Dividends, interests and rents from investments	**(5,492)**	*(9,569)*
Loss/(profit) on the sale of fixed assets	**14,342**	*(67,353)*
Decrease/(increase) in stocks	**(9,624)**	*9,907*
Increase in debtors	**(479)**	*(58,964)*
Increase/(decrease) in creditors	**21,171**	*(209,326)*
Net cash provided by operating activities	**196,708**	*194,194*

25. Analysis of cash and cash equivalents

	Group 2022 £	*Group 2021* £
Cash in hand	**382,074**	*43,209*
Total cash and cash equivalents	**382,074**	*43,209*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

26. Analysis of changes in net debt

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	43,209	338,865	382,074
Debt due within 1 year	(33,333)	10	(33,323)
Debt due after 1 year	(105,556)	33,323	(72,233)
	(95,680)	372,198	276,518

27. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group by an independently administered fund (Royal London).

The group has also been part of a defined benefit scheme (Cumbria Local Government Pension Scheme), with the last remaining member of staff in this scheme leaving the organisation in 2020. A final valuation for this scheme has been received and the exit cost for this is included in the pension cost charge for the year.

The pension cost charge represents contributions payable by the group to both funds and amounted to £34,248 (2021 - £26,527). At the balance sheet date there was £21,445 payable to the funds and included in creditors.

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

England & Wales - Charity number 1086789

Accounts

Company number: 03927101

Charity number: 1086789

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

THURSDAY
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A11 30/12/2021 #121
COMPANIES HOUSE

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

Reference and administrative information

Charity number 1086789
Company number 03927101

Trustees
C E Welburn (Resigned 1 December 2020)
P Yarwood (Resigned 20 May 2021)
P L Whitehurst
A J Preedy (Resigned 19 August 2021)
T R Clarke
A Lawson
D L Stevens
S C H Poole
M R Sumison (Resigned 1 December 2020)
L S R Davies
A Senior (Appointed 20 May 2021)
N E Farrer (Appointed 20 May 2021)
S J Hunt (Appointed 20 May 2021)
S L H Newton (Appointed 20 May 2021)
L Chirwa (Appointed 20 May 2021)

Chief Executive
M Randall

Secretary
M Randall

Registered Office
Brewery Arts
122A Highgate
Kendal
Cumbria LA9 4HE
LA9 4HE

Auditors
Haines Watts Manchester Limited
3rd Floor, Northern Assurance Buildings
Albert Square
9-21 Princess Street
Manchester M2 4DN

Bankers
Yorkshire Bank
7 Stricklandgate
Kendal
LA9 4NB

Solicitors
Milne Moser
Solicitors
Westmorland House
The Square
Milnthorpe
Cumbria LA7 7QJ

Investment Managers
Legal & General Investment Management Limited
One Coleman Street
London
EC2R 5AA

Report of the Trustees for the Year Ended 31 March 2021

The trustees, who are also the directors of the charitable company ("the Charity") for the purposes of the Companies Act 2006, present their annual report on the affairs of the Charity, together with the financial statements and auditors' report, for the year ended 31 March 2021. The annual report and financial statements are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The reference and administrative information set out on page 1 forms part of this report. The financial statements have been prepared in accordance with the accounting policies set out in the notes and 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) (effective 1 January 2015).

Objectives and Activities for public benefit

The Charity's main objectives are:

- to promote, maintain, improve and advance education particularly by the encouragement of the Arts and Crafts and the formulation, preparation and establishment of schemes to render the Arts accessible to the public;
- to promote the education of children by encouraging an interest in and understanding of the Arts and by running play schools for young children, and;
- for any other charitable purposes tending to encourage interest in the Arts which may be conveniently promoted in combination with the aforesaid purpose and which may include permitting Old Age Pensioners to use the premises of the Charity for the purpose of recreation or other leisure-time activities with the object of improving their conditions of life;
- to promote for the benefit of the inhabitants of Kendal, the South Lakes and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the quality of life of the said inhabitants.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives. In particular, the trustees consider how planned activities contribute to the aims and objectives. We are satisfied that each of our aims is charitable and that each is for public benefit, and we are confident that our activities are consistent with our objectives. The following paragraphs demonstrate that our activities deliver public benefit. While we rely on ticket sales as part of our income, we provide access at concessionary rates for performances and for classes wherever practicable.

The Charity sees its mission as offering the opportunity to all in its immediate and wider community to access a balanced and diverse programme of artistic and educational activity across art forms. We offer a high quality experience to audiences, participants and artists alike and encourage and support the professional development and well-being of our staff. We strive to develop audiences and artists and to encourage more people to engage with the arts at every level.

2020-21 was an exceptional year due to the COVID-19 pandemic and this is reflected in changes to our operations and activity levels during enforced closures in line with Government restrictions.

Public Benefit

We provide public benefit by meeting our charitable aims, and this is done by the provision of our programmes of theatre, dance, comedy, music, visual arts, literature and film and in the provision of education courses and classes which are all available to, and enjoyed by, a wide audience in the locality and the region.

Due to the COVID-19 pandemic we delivered reduced activity during enforced closures in line with Government restrictions. However, we continued to provide public programmes onsite when permitted, and we delivered new cultural programmes online, reaching audiences of all ages and backgrounds across the year. We also made significant improvements to our infrastructure and

facilities which will benefit artists and audiences for years to come. New creative commissions and programme partnerships were also forged, supporting artists and the community while producing artistic projects for the public.

Strategic Report

Exceptional Matters Arising in 2020-21: Covid-19 and Brexit

The effects of the Covid-19 global pandemic caused significant business interruption in 2020-21. As with all arts, entertainment and hospitality venues, we were unable to operate at normal levels. Across the year, 10 months were impacted by Government lockdowns or other restrictions. This resulted in the complete closure of the centre for eight months across the year and the cancellation or postponement of much of our planned programme. The financial impact has been largely offset due to cost savings, staff redundancies, fundraising, Covid-19 grants and a CBIL loan.

It is also noted that the UK exited from the European Union (Brexit) and completed the transition process in 2020-21. The impact on our activities was minor in comparison with the impact of Covid-19. However, we note the combination of these two major events caused problems for recruitment and retention of staff, and movement and availability of goods, causing disruption to the timing of capital work, and staff shortages.

Achievements and Performance

General

Despite the challenges of 2020-21, the Charity continued to provide cultural activities and also carried out a capital programme to radically improve the venue and facilities. The main activities undertaken to meet our objectives and to deliver public benefit are summarised below.

Creative Learning & Community Outreach

Our Creative Learning programme continues to engage people of all ages, backgrounds and abilities. In 2020-21 we delivered a blend of onsite and online creative learning activities for young people, adults, and older people. We delivered a total of 600 creative learning sessions, which were attended by 3,600 people. Of this figure, 1,200 attendees were children and young people between the ages of 3-19 years. Classes covered a range of artforms including visual art, dance, drama and music. By taking our classes online we were able to provide enriching experiences for people at home during lockdowns, to people across the county and as far afield as Germany. Our elders theatre company Act Your Age continued to thrive during lockdowns with the support of our team and our filmmaking and digital equipment.

Film Programme

As one of the leading independent cinemas in the north west and a member of BFI Film Hub North, we present a rich programme of cultural film, selected blockbusters. Pre-Covid attendance for film screenings is 80,000 people per year. Although this figure dropped to 3,000 in 2020-21 due to enforced lockdowns, our audience development activities continued to build awareness of film culture, and we established partnerships with organisations Anti-Racist Cumbria and Cumbria Deaf Association to build more inclusive engagement, through co-programming and wraparound activities. We also continued to supported young filmmakers and curators, through masterclasses and screenings with students at Kendal College, and through co-programming with our young Film Ambassadors Group.

Live Events

Pre-Covid we attracted 50,000 people each year to our live programme of music, theatre, comedy, dance and spoken word. We were unable to present this level during 2020-21 due to Covid restrictions. However, we continued to support artists and companies working in music, theatre and the performing arts, screening and commissioning new work, and maintaining partnerships. The live music programme is now almost back to full scale, showing an average of two live shows per week. Childrens theatre has also returned, and the stage on screen programme with National Theatre Live.

In normal circumstances, we are a host site for two major festivals in Kendal – the Kendal Mountain Festival and Lakes International Comic Art Festival. In 2020-21 both of these festivals went online due to Covid restrictions. We worked with Kendal Mountain Festival to support their talks and presentations which took place in our venue with Covid-safe streaming and broadcasting facilities, reaching audiences across the globe online.

Artist Support, Commissions and Digital Content

The grass roots Verbalise spoken word programme continued to operate very successful open mic events throughout the year as we continued to host the events online. The community continues to grow and has now returned to the venue while also live streaming participants, including those who would not otherwise be able to attend due to disability.

We commissioned Imitating the Dog to create STREET, a collection of local stories told through innovative digital commissions in 2020-21. The videos were presented online, and in our new digital gallery. The project was well received and had national and international press, including in the New Yorker.

We also contributed commissioning funds towards Animated Futures, a filmmaking project for up to 30 young black and brown Cumbrians to build storytelling and creative skills while sharing the challenges of growing up in a 98% white county.

Our Digital Future - capital project

In 2020-21 we carried out most of the Our Digital Future project, a programme of capital upgrades across the entire premises, modernising our venues and increasing their potential to provide exceptional experiences for artists and audiences. The work was completed in summer 2021.

The venue now includes a state of the art two-screen cinema complex with luxurious seating and giant screens, along with a new purpose built boutique digital lounge for additional immersive screenings and gaming. The theatre, music venue, creative studios and warehouse were upgraded with new technology, for world-class live performances, audio visual presentations, creative learning and interactive exhibitions. New facilities for music and film production were also installed, placing a new digital-led talent development and production hub at the heart of our activities. These will support new programmes of residencies, workshops, community engagement and outreach projects.

Live streaming equipment has also been fitted throughout the venue, allowing events such as live music and theatre, festivals, conferences and weddings to be broadcast from the building to digital platforms and viewed anywhere in the world. Together with strengthened digital infrastructure across the site, this will transform the quality and scope of the services on offer to cultural partners and corporate clients.

The project was generously supported with £850,000 capital grant funding, which was secured before the pandemic and designated for improvements to the building and its infrastructure. The funds were awarded by Arts Council England, Cumbria LEP, South Lakeland District Council, Cumbria County Council, Kendal Town Council, Brewery Arts Centre Endowment Trust, The Garfield Weston Foundation, The Foyle Foundation, anonymous gifts and individual donations through a successful public appeal.

Financial review

We are grateful to key funders, Arts Council England, South Lakeland District Council, Kendal Town Council, Cumbria County Council and BFI Film Hub North, for their continued support to help us maintain the valuable work we do. We are also grateful for the continued support received from the Brewery Arts Centre Endowment Trust and a range of trusts and foundations.

Grants received from public sources were vital in enabling us to survive the impacts of the pandemic. In addition to continuing to provide our annual funding, we received the following emergency Covid funding:

- Arts Council England - £203,315 from the Culture Recovery Fund,

- South Lakeland District Council - £21,750 Covid Emergency grant and £10,000 Covid Discretionary grant

We also received grants totaling £266,863 under the central government Covid Job Retention Scheme

The 2020-21 financial year also saw the receipt of a significant proportion of the grant funding for the Our Digital Future project, totaling £430,512 in the year.

Grants and donations received from private sources had doubled in the previous year, as a result of major grant being received in that year ahead of the Our Digital Future project. As expected, funding in this financial year fell back to previous levels.

Covid restrictions meant that the site was closed for much of the financial year. Even in those months that activities could take place, restrictions meant that income from charitable actovities was negatively impacted (down 88% on the previous year) and additional costs were incurred. Costs were tightly controlled and the difficult decision was taken in summer 2020 to make a number of staff redundant.

Our wholly-owned subsidiary, Kendal Catering Company Limited (KCC), operates all of the food and drink activities within The Brewery site. This is an important part of our 'offer' to people attending our programme. Covid restrictions also meant that KCC was unable to operate for much of the financial year. Trading income was significantly reduced, but the company was able to achieve break-even for the year through government Covid support and other emergency grant funding.

Net income for the financial year 2020-21 was a surplus of £439,485. This was the result of:

- A partial recovery of £67,353 in the value of the endowment investments that had fallen by £84,044 at the previous year end, as a result of the start of the pandemic.
- A surplus of £339,999 on the Our Digital Future project.
  This reflects the way that large capital projects are reported in our accounts. The income is accounted for in full in the year in which it is received; however, the expenditure is capitalised as it is incurred and then expensed over the useful life of the various assets through an annual depreciation charge. The surplus in this financial year is therefore a timing issue and will be offset by deficits in future years.

Investment policy and performance

The trustees' investment powers are governed by the Articles of Association, which permits the Charity's funds to be invested as the trustees see fit and in a manner which is beneficial for the achievement of the Charity's objects.

The Charity invests funds which were donated to it for the express purpose of generating income to further its objectives. The majority of funds, managed by Legal & General Investment Management Limited, are held in an Index Tracker Fund. The chosen investment vehicle not only offers guaranteed index performance it also is the most cost effective way of maintaining equity market exposure for the Trust.

During the year these funds recovered in value by £67,353, reflecting the widespread recovery in UK equity prices following the initial falls at the end of March 2020 when the pandemic first impacted on the UK economy.

Risk management

The trustees review the risks to which the Charity is exposed. The Charity follows accepted health and safety procedures in all its activities to minimise the likelihood of harm to staff, performers, volunteers, clients and visitors to the Arts Centre. The trustees consider that, as far as is currently practical, suitable systems, internal controls and insurances are in place to mitigate risks.

Even before the impact of the pandemic, financial sustainability was identified as a risk for the Charity as deficits were incurred between 2016-2019. The Charity does not hold significant levels of reserves to support volatility in financial performance. Capital investment completed in 2021 will increase income potential from our facilities, including artistic and commercial events in our digitally enhanced

venues, and trading revenue from our significantly improved bar and restaurant services.

The financial strategy set out above aims to address this risk by maintaining and improving the Charity's facilities and programme of activities, to generate additional income and return the Charity to annual surpluses.

Covid-19 was an unprecedented risk that impacted throughout the financial year and continues to do so. The situation is continually monitored and managed in line with all government regulations. Modifications to our venue and changes to our operations and service were implemented in the financial year to maintain the safety of staff and customers. As explained above, additional funding was secured through emergency grants and the Charity was restructured to reduce costs and increase efficiency.

Reserves policy

Total funds at 31 March 2021 amount to £3,104,666 of which £2,449,364 is held in endowment and restricted funds and are therefore not available for the general purposes of the Charity. The designated funds amounted to £892,897, representing the net book value of the buildings acquired with unrestricted funds. No material expenditure is expected from the buildings designated fund in the forthcoming year.

In 2019 the trustees reviewed the reserves policy and consider that the level of free reserves (that is those items not tied up in fixed assets and restricted funds) required to sustain its operations should be equivalent to three months' worth of annual expenditure (24% of budget). The reserves are needed to meet the working capital requirements of the Charity. As the centre was closed for much of the financial year, annual expenditure was significantly reduced. The trustees will determine the new target level of free reserves, as activity returns to pre-pandemic levels.

Although the target level for free reserves will be lower than before the pandemic, the present level of free reserves available remains negative and so still falls significantly short of whatever the new target level will be. The strategy for building reserves is as follows:-

1 to introduce a new 5-year organisational strategy in 2022 to strengthen the business model, increase commercial profitability and secure the future development of the Charity;
2 to set operating budgets that generate annual cash surpluses for reinvestment in the Charity; and
3 to maximise income generation opportunities provided by the Capital improvements, improving the facilities and the marketability of commercial operations and through appeals and fundraising.

This will be achieved by:

1 carrying out a comprehensive review of artistic and business strategy and operations;
2 implementing a new financial strategy that will support our creative and commercial growth;
3 regularly reviewing pricing levels for arts, education and other activities;
4 maintaining tight control of costs;
5 ensuring that all working procedures and staffing levels are economic and efficient; and
6 broadening the funding base of the Charity by seeking new partnerships and new sources of grant funding, sponsorship, legacies and donations.

Plans for future periods

Work continues to:-

- increase public benefit and engagement through new world-class programmes and audience development strategies;
- ensure our work is progressive and values-led, providing inclusive and relevant programmes for 21st century communities;
- strengthen existing partnerships and develop new ones to enhance our work and the impact of the region;
- continue to build our donor base and membership schemes, focusing on our 50th Anniversary year in 2022;
- explore long term funding opportunities for the major capital development of the Brewery site,

including new production facilities for artists and companies working across disciplines such as music, film, digital art and the performing arts, and a larger capacity live venue;
- deliver elements of the Brewery programme in new contexts with a range of partnership organisations;
- ensure we maximise our business potential to support our charitable aims;
- be environmentally responsible with regards to the climate emergency.

Structure, governance and management

Governing Document

The Charity is a company limited by guarantee and a registered charity. It is governed by its Memorandum and Articles of Association which were updated by special resolution on 14 February 2006.

Recruitment and Appointment of Trustees

The trustees are elected by the company at the Annual General Meeting in accordance with the Articles of Association. Four long serving trustees resigned during the financial year, but five new trustees were appointed in May 2021. The trustees who served during the year are set out on page 1.

Trustee Induction and Training

An induction pack is available to any new trustee which includes a copy of the Memorandum and Articles of Association, a summary of the Charity's objectives, a copy of the Charity Commission's guide on the duties of a trustee and the most recent financial statements.

Organisational Structure

The Charity has a wholly owned subsidiary, Kendal Catering Company Limited, which manages the provision of bar and catering facilities within the Arts Centre and at other outlets. The Board of Kendal Catering Company meets regularly to oversee the work of this company.

The trustees have regular access to information regarding the programme and financial performance of the trust and meet at least every quarter. The Board has established an Audit & Risk Committee (now replaced by a Finance Sub-Committee) and other ad hoc committees/working groups are set up to consider specific issues where needed. All Trustees' meetings and committee meetings are attended by the Chief Executive.

Our key funders are all invited to send observers to the Trustees' Meetings. These funders are:- Arts Council England North West, South Lakeland District Council and Kendal Town Council.

Fundraising methodology

Whilst the majority of the Charity's income is generated through its charitable activities, it is also reliant on grants and voluntary donations to enable it to deliver its high-quality, diverse artistic programme.

The majority of this income is provided by way of grants from arts funders (primarily Arts Council England North West), local government (South Lakeland District Council and Kendal Town Council) and other grant-awarding bodies on an ad-hoc basis. A relatively small amount of donations is received from people attending events and from the general public. These are typically focused on major capital projects, such as the Our Digital Future project.

As this additional income is critical to the on-going development of The Brewery, the Charity employs one member of staff dedicated to fundraising, primarily through making grant applications. During the financial year, the Charity was not subject to an undertaking to be bound by any voluntary scheme for regulating fund-raising, or any voluntary standard of fund-raising, in respect of activities on behalf of the Charity. However, the activities of the Fundraising Manager are monitored by the Chief Executive, to ensure that they are in-line with internal policies and procedures.

The Charity did not receive any complaints during the year concerning the Charity's fundraising activities.

The Charity is committed to protecting vulnerable people and other members of the public from the following behaviour in the course of, or in connection with, its fundraising activities:

a) unreasonable intrusion on a person's privacy;

b) unreasonably persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the Charity;

c) placing undue pressure on a person to give money or other property.

Key management personnel remuneration

The Trustees consider the board of Trustees and the Chief Executive as comprising the key management personnel of the Charity in charge of directing and controlling the Charity and running and operating the Charity on a day-to-day basis. The remuneration paid to the Chief Executive and the expenses reimbursed to them are disclosed in note 13 to the financial statements. The Trustees give their time freely and no Trustee remuneration was paid to them during the year.

Trustees are required to disclose all relevant interests to other trustees and withdraw from decisions where a conflict of interest arises. Details of related party transactions are disclosed in note 14 to the financial statements. Any benefit received by trustees, staff and volunteers is purely incidental to the objects of the Charity.

A sub-committee of Trustees, the Remuneration Committee, met during the year to review pay levels across the Charity including the pay levels of the Chief Executive. The committee took account of a range of data including pay levels in the local area and provincial art centres in the north-west UK. The committee members were also conscious of the impact of the National Living Wage and being able to maintain appropriate differentials in pay levels right through the management structure.

Statement of disclosure to Auditor

(a) so far as the trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
(b) they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Trustees' responsibilities

The trustees (who are also directors of the Kendal Brewery Arts Centre Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the 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 financial year, which give a true and fair view of the state of affairs of the group and the charitable company and of the group's incoming resources and application of resources, including the income and expenditure, of the group for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume

that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approval of the Trustees' Report and Strategic Report on behalf of the Board



M Randall
Company Secretary

Independent auditors' report to the members of The Kendal Brewery Arts Centre Trust Limited

Opinion

We have audited the financial statements of Kendal Brewery Arts Centre Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)*.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or charitable parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed in the accounting policies.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistences or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditors' report to the members of The Kendal Brewery Arts Centre Trust Limited

Opinion on other matter prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report and the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charity's Act 2011 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the parent charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibility of trustees
As explained more fully in the trustees' responsibilities statement set out on page 6, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate thegroup or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditors' report to the members of The Kendal Brewery Arts Centre Trust Limited

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the company engagement team included

- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- challenging assumptions and judgements made by management in its significant accounting estimates, in particular we have vouched items included in the stock provision to actual events after date and compared previous years provisions to actual to ensure reasonable;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- We have tested samples of sales orders, ticket booking system and grants offer letters ensuring they are included in income as well as increasing the risk in our sample when testing trade debtors
- During the course of the audit on all testing we have ensured income and expenditure has been allocated to the correct funds
- We have reviewed all budgets and cashflows to ensure that they are reasonable and can be relied on to conclude on going concern

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

David Fort FCA (Senior Statutory Auditor)
for and behalf of Haines Watts Manchester Limited
Chartered Accountants and Statutory Auditor

Date: 23rd December 2021

3rd Floor, Northern Assurance Buildings
Albert Square
9-21 Princess Street
Manchester
M2 4DN

Haines Watts Manchester Limited is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

Consolidated summary income and expenditure account
For the year ended 31 March 2021

	Notes	2021 £	2020 £
Income			
Donations, grants and legacies	3	1,470,302	903,316
Activity and other income	6, 7 & 8	141,860	1,124,697
Gross income		1,612,162	2,028,013
Commercial trading operations	5	242,142	617,490
Total income		1,854,304	2,645,503
Expenditure			
Gross expenditure	9, 10 & 11	(1,162,250)	(1,944,294)
Commercial trading operations	5	(319,922)	(625,362)
Total expenditure		(1,482,172)	(2,569,656)
Net losses before investment asset disposals		372,132	75,847
Net (losses)/gains on investments	18	67,353	(84,044)
Net income for the financial year		439,485	(8,197)

Total income comprises £570 for endowment funds, £918,090 for unrestricted funds and £935,644 for restricted funds. A detailed analysis of income by source is provided in the Consolidated Statement of Financial Activities.

Detailed analyses of expenditure are provided in the Consolidated Statement of Financial Activities.

This Consolidated Summary Income and Expenditure Account is derived from the Consolidated Statement of Financial Activities on page 12 which, together with the accompaning notes to the financial statements, provides full information on the movements during the year on all the funds of the company.

All activity has arisen from continuing operations.

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

Consolidated statement of financial activities (incorporating an income and expenditure account)
For the year ended 31 March 2021

	Notes	Endowment funds £	Restricted funds £	Unrestricted funds £	Total 2021 £	Total 2020 £
Income						
Donations, grants and legacies	3	570	918,090	551,642	1,470,302	903,316
Other trading activities						
- commercial trading operations	5	-	-	242,142	242,142	617,490
Income from investments	6	-	-	9,569	9,569	19,705
Income from charitable activities	7	-	-	132,291	132,291	1,104,992
Total income and endowments		570	918,090	935,644	1,854,304	2,645,503
Expenditure						
Expenditure on raising funds						
- Cost of generating voluntary income	9	-	-	(42,165)	(42,165)	(50,955)
- Commercial trading operations	5	-	-	(319,922)	(319,922)	(625,362)
Expenditure on charitable activities	10	-	(578,091)	(541,994)	(1,120,085)	(1,893,339)
Total resources expended		-	(578,091)	(904,081)	(1,482,172)	(2,569,656)
Net (losses)/gains on investments	18	66,537	-	816	67,353	(84,044)
Net income/(expenditure) before transfers		67,107	339,999	32,379	439,485	(8,197)
Transfers between funds	22	-	(2,070)	2,070	-	-
Net movement in funds	15	67,107	337,929	34,449	439,485	(8,197)
Reconciliation of funds						
Fund balances at the start of the year	22	296,137	1,748,191	620,853	2,665,181	2,673,378
Fund balances carried forward	22	363,244	2,086,120	655,302	3,104,666	2,665,181

The accompanying notes are an integral part of this consolidated statement of financial activities.

The consolidated statement of financial activities has been prepared on the basis that all activities are continuing.

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

Registration number: 03927101

Consolidated and Charity balance sheets
31 March 2021

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Fixed assets					
Tangible assets	16 & 17	3,036,361	2,605,830	3,013,810	2,575,555
Investments	18	360,661	293,308	360,661	293,308
Investment in subsidiary	18	-	-	49,900	49,900
		3,397,022	2,899,138	3,424,371	2,918,763
Current assets					
Stocks		5,839	15,746	-	-
Debtors	19	116,561	57,597	100,028	54,611
Cash at bank and in hand		43,209	221,101	26,888	163,082
		165,609	294,444	126,916	217,693
Creditors: Amounts falling due within one year	20	(352,408)	(528,401)	(335,313)	(465,524)
Net current liabilities		(186,799)	(233,957)	(208,397)	(247,831)
Total assets less current liabilities		3,210,222	2,665,181	3,215,973	2,670,932
Creditors: Amounts falling due after one year	21	(105,556)	-	(105,556)	-
Net assets		3,104,666	2,665,181	3,110,417	2,670,932
Funds					
Unrestricted funds					
- Designated funds		892,897	895,515	892,897	895,515
- General funds		(237,595)	(274,662)	(231,844)	(268,911)
	22 & 23	655,302	620,853	661,053	626,604
Restricted funds					
- Funds excluding fair value reserve		2,086,120	1,748,191	2,086,120	1,748,191
	22 & 23	2,086,120	1,748,191	2,086,120	1,748,191
Endowment funds					
- Permanent		238,319	237,749	238,319	237,749
- Expendable		124,925	58,388	124,925	58,388
	22 & 23	363,244	296,137	363,244	296,137
Total charity funds		3,104,666	2,665,181	3,110,417	2,670,932

Signed on behalf of the Trustees

Miriam Randall
Company Secretary

20 December 2021

The accompanying notes are an integral part of these balance sheets.

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED

Consolidated cash flow statement
for the year ended 31 March 2021

	Notes	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash flows from operating activities:					
Net cash provided by operating activities	24	237,321	279,508	279,019	223,931
Cash flows from investing activities:					
Dividends, interest and rental income		9,569	19,705	9,569	19,705
Purchase of tangible fixed assets		(563,671)	(86,316)	(563,671)	(80,770)
Sale of investments				-	-
Net cash used in investing activities		(554,102)	(66,611)	(554,102)	(61,065)
Cash flows form financing activities					
Repayments of borrowing		(11,111)	(5,000)	-	(5,000)
New loans in the year		150,000	-	138,889	-
Net cash used in financing activities		138,889	(5,000)	138,889	(5,000)
Change in cash and cash equivalents in the year		(177,892)	207,897	(136,194)	157,866
Cash and cash equivalents at the beginning of the year		221,101	13,204	163,082	5,216
Total cash and cash equivalents at the end of the year		43,209	491,483	26,888	163,082
Analysis of cash and cash equivalents					
Cash at bank and in hand		43,209	221,101	26,888	163,082
Total cash and cash equivalents		43,209	221,101	26,888	163,082

Notes to financial statements
31 March 2021

1 General information

The Kendal Brewery Arts Centre Trust Limited is a company limited by guarantee and accordingly does not have a share capital, registered in England and Wales. Every member of the company undertakes to contribute £10 in the event of the charitable company being wound up while he or she is a member. The company number, charity number and address of the registered office are given in the reference and administration information on page 1 of these financial statements. The principal nature of the charity's operations is to promote for the benefit of the inhabitants of Kendal, the South Lakes and the surrounding area the provision of facilities for arts, education, recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances and for the public at large in the interests of social welfare and with the object of improving the quality of life of the said inhabitants.

The address of its registered office is Brewery Arts, 122A, Highgate, Kendal, Cumbria, LA9 4HE.

2 Accounting policies

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

The financial statements have been prepared under the historical cost convention with the exception of investments which are included on a market value basis. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

b) Preparation of the accounts on a going concern basis
During the year ended 31 March 2021 the group had net incoming resources, before transfers, of £439,485 and at that date had net current liabilities of £186,799.

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. The Charity's unrestricted operating costs have been reduced significantly for the financial year 2020/21 due to tight cost control as well as the group's net current liabilites having decreased from the previous year. The capital expenditure from the Charity's unrestricted funds has been limited in order to preserve cash balances. Operating and capital budgets for future years have been designed to generate further cash positive outcomes. Arts Council England grant support is secured until April 2022. In particular, in response to the COVID-19 pandemic the Trustees have tested their cash flow analysis to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available. The Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

2 Accounting policies (continued)

c) Group financial statements
These financial statements consolidate the results of the Charity and its wholly owned subsidiary, Kendal Catering Company Limited, on a line by line basis. A separate statement of financial activities, or income and expenditure account, for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. For the purposes of the consolidation the charitable donation from the subsidiary is recognised in the year that the profits to be donated were made as the receipt is measurable and probable.

d) Fund accounting
General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Trust.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes.

Restricted funds are subject to specific restrictive covenants imposed by donors or by the nature of the appeal. The purpose and use of the restricted funds are set out in Note 21 to the financial statements.

The permanent endowment fund represents funds which the donors have stated are to be held permanently as capital. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income.

The expendable endowment fund represents any capital appreciation of the original permanent endowment which, at the Trustees' discretion, can be applied towards the objects of the charity.

e) Income
Income is recognised when the charity has entitlement to the funds, any performance conditons attaching to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Activity income is included when receivable. Any income received in advance of a performance or the provision of another specified service is deferred until the criteria for income recognition are met.

Catering activities are carried out by Kendal Catering Company Limited whose profits are payable to The Kendal Brewery Arts Centre Trust Limited via a distribution if there are sufficient reserves to do so. This income is included when 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. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

In accordance with the Charities SORP (FRS 102) the general volunteer time of the Friends of the Brewery is not recognised as income. The Trustees' annual report contains information regarding their contribution.

Donations and grants are included when receivable. When donors specify that donations and grants including capital grants, are for particular restricted purposes, which do not amount to pre conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable. Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received.

2 Accounting policies (continued)

f) Resources expended
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.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

g) Expenditure
The costs of raising funds consists of wage and associated support costs.

Charitable activities include expenditure associated with staging theatre, art exhibitions, educational programmes and other artistic events and include both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include central functions and have been allocated to cost categories on a basis consistent with the use of resources.

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

h) Tangible fixed assets
The Trustees have introduced a limit of £100 below which individual fixed assets are not capitalised. Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

Depreciation is provided on all tangible fixed assets other than freehold land. Depreciation is designed to write off the costs, less estimated residual value, of each asset over their expected useful lives. The principal rates used are as follows:

Freehold buildings	-	2% per annum and over 36 years on a straight line basis
Computer equipment	-	25% per annum on a straight line basis
Equipment and fixtures	-	10% per annum on a straight line basis
Bar and catering equipment	-	10% per annum on a straight line basis

The Trustees have determined that the estimated residual value of certain of the charity's freehold buildings is approximately equal to its net book value. It is the charity's policy to maintain these properties to a high standard, so that the estimated residual value will not be impaired over time. The costs of this maintenance are charged to the statement of financial activities as they are incurred. The Trustees are of the opinion that any depreciation in respect of the these properties would be immaterial and consequently no provision is made in the acounts for such depreciation.

2 Accounting policies (continued)

i) Investments
Investments are measured intially at their transaction value and are subsequently measured at their fair value at the balance sheet date using the closing quoted market price. Increases or decreases in the fair value each year are treated as unrealised gains or losses. Realised gains or losses represent the difference between the sales proceeds and the fair value at the beginning of the year or the transaction value if purchased during the year. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Investment in the subsidiary undertaking is valued at cost less impairment.

j) Debtors
Debtors are recognised at the settlement amount due after any trade discount offered. Any losses arising from impairment are recognised in expenditure.

k) Cash at bank and in hand
Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

l) 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 reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Concessionary loans
Concessionary loans are measured at amortised cost using the effective interest rate

n) 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 loans which are subsequently measured at amortised cost using the effective interest rate.

o) Pension schemes
Certain employees are members of the Cumbria Local Government Pension Scheme. This is a multi-employer defined benefit scheme and the assets are held seperately from the those of the charity. As the charity's share of the scheme's assets and liabilities cannot be readily identified it is treated as a defined contribution scheme whereby contributions are charged to the statement of financial activities in the period to which they relate. However as there is an agreement in place to make additional contributions based on current and past service of employees a liability is recognised for the present value of outstanding additional contributions as required by FRS 102.

The charity also operates a money purchase scheme for employees. Contributions to this scheme are charged to the statement of financial activities in the period to which they relate.

3 **Donations, grants and legacies**

	Endowment	Restricted	General	Total 2021	Total 2020
(a) Arts	£	£	£	£	£
Arts Council England North West					
- Revenue grant	-	-	327,776	327,776	321,854
- Cultural Recovery	-	203,315	-	203,315	-
- Catalyst	-	-	1,888	1,888	60,033
- Our Digital Future	-	330,521	-	330,521	37,357
BFI Film Hub North	-	-	20,000	20,000	15,905
Total	-	533,836	349,664	883,500	435,149
(b) Public					
South Lakeland District Council					
- Revenue grant	-	-	65,500	65,500	65,500
- COVID 19 Emergency Grant	-	-	21,750	21,750	-
- COVID 19 Discretionary Grant	-	-	10,000	10,000	-
- Applied Theatre in Cumbria	-		-	-	63,802
- Our Digital Future	-		-	-	30,000
Skills Funding Agency					
(Via Cumbria County Council)	-	-	10,000	10,000	10,000
Cumbria County Council					
- Project Emotional Warrior	-		-	-	2,831
- Our Digital Future	-	99,991	-	99,991	-
YWCA Kendal - COVID 19 Grant	-	5,000	-	5,000	-
Job Retention Scheme Grant		266,863	-	266,863	-
Kendal Town Council					
- Revenue grant	-	-	10,000	10,000	10,000
- Emotional Warrior	-		-	-	1,000
- Our Digital Future	-		-	-	500
Total	-	371,854	117,250	489,104	183,633
(c) Private					
Brewery Income Support Fund	570	-	-	570	678
Brewery Arts Centre Endowment Trust					
- Revenue grant	-	-	55,200	55,200	75,055
- Our Digital Future	-	12,000	-	12,000	30,000
Anonymous	-	-	-	-	15,000
Sir John Fisher Foundation					
- Creative Connections	-	-	-	-	6,800
Raynes Foundation					
- Emotional Warrior	-	-	-	-	1,440
Sundry Donations -Our Digital Future	-	-	-	-	10,228
Foyle Foundation - Our Digital Future	-	-	-	-	40,000
Garfield Weston Foundation					
- Our Digital Future	-	-	-	-	75,000
Charles Waller Memorial Trust					
- Emotional Warrior	-	-	-	-	1,000
Dignity in Dementia	-	-	-	-	7,575
Buy a Chair donations	-	-	-	-	170
Granada Foundation					
- COVID 19 Grant	-	-	2,500	2,500	-
Cumbria Youth Alliance					
- Dreamscheme Funding	-	400	-	400	-
Creative Learning Donations	-	-	2,728	2,728	-
Sundry individual donations	-	-	24,300	24,300	8,688
Total	570	12,400	84,728	97,698	271,634
(d) Legacy					
Martin Terence Purdy	-	-	-	-	12,900
Total	-	-	-	-	12,900
Total donations, grants and legacies	570	918,090	551,642	1,470,302	903,316

The income from donations, grants and legacies totals £1,470,302 (2020 - £903,316) of which £570 (2020 - £678) was from endowment funds, £918,090 (2020 - £339,763) was from restricted funds and £551,642 (2020 - £582,875) was from unrestricted funds.

3 **Donations, grants and legacies**

	Endowment	Restricted	General	Total 2020	Total 2019
(a) Arts	£	£	£	£	£
Arts Council England North West					
- Revenue grant	-	-	321,854	321,854	321,854
- Cultural Destinations	-	-	-	-	11,800
- Catalyst	-	-	60,033	60,033	19,013
- Our Digital Future	-	37,357	-	37,357	-
BFI Film Hub North	-	-	15,905	15,905	2,065
Total	-	37,357	397,792	435,149	354,732
(b) Public					
South Lakeland District Council					
- Revenue grant	-	-	65,500	65,500	64,000
- Project grant	-	-	-	-	1,500
- Applied Theatre in Cumbria	-	63,802	-	63,802	36,361
- Our Digital Future	-	30,000	-	30,000	-
Skills Funding Agency					
(Via Cumbria County Council)	-	-	10,000	10,000	10,000
Cumbria County Council					
- Project Emotional Warrior	-	2,831	-	2,831	1,600
- Project LGBT & Youth Grant	-	-	-	-	1,780
- Capital grant	-	-	-	-	1,235
Kendal Town Council					
- Revenue grant	-	-	10,000	10,000	10,000
- Emotional Warrior	-	1,000	-	1,000	-
- Our Digital Future	-	500	-	500	-
Total	-	98,133	85,500	183,633	126,476
(c) Private					
Brewery Income Support Fund	678	-	-	678	814
Brewery Arts Centre Endowment Trust					
- Revenue grant	-	-	75,055	75,055	72,528
- Our Digital Future		30,000		30,000	-
Youth Music Foundation	-	-	-	-	4,301
Anonymous	-	15,000	-	15,000	4,474
Sir John Fisher Foundation					
- BYA Interact	-	-	-	-	2,667
- Crossing Boundaries	-	-	-	-	800
- Creative Connections		3,860	2,940	6,800	-
Raynes Foundation					
- Emotional Warrior	-	1,440	-	1,440	1,800
Toynebee Studios	-	-	-	-	2,440
Anonymous	-	-	-	-	20,000
Sundry Donations -Our Digital Future	-	10,228	-	10,228	14,360
Foyle Foundation - Our Digital Future	-	40,000	-	40,000	-
Garfield Weston Foundation					
- Our Digital Future		75,000		75,000	-
Charles Waller Memorial Trust					
- Emotional Warrior	-	1,000	-	1,000	-
Dignity in Dementia	-	7,575	-	7,575	-
Buy a Chair donations	-	170	-	170	-
Sundry individual donations	-	-	8,688	8,688	13,983
Total	678	184,273	86,683	271,634	138,167
(d) Legacy					
Martin Terence Purdy	-	-	12,900	12,900	-
Total	-	-	12,900	12,900	-
Total donations, grants and legacies	678	319,763	582,875	903,316	619,375

4 Financial activities of the charity

The financial activities shown in the consolidated financial statements include those of the Charity's wholly owned subsidiary, Kendal Catering Company Limited.

A summary of the financial activities undertaken by the Charity is set out below:

	2021	2020
	£	£
Gross income	1,612,162	2,028,013
Total expenditure on charitable activities	(1,197,865)	(1,893,339)
Costs of generating funds	(42,165)	(50,955)
Net income before investment gains	372,132	83,719
(Losses)/gains on investment assets		
- realised		
- unrealised	67,353	(84,044)
Net income after investment(losses)/gains	439,485	(325)
Total funds brought forward	2,670,932	2,671,257
Total funds carried forward	3,110,417	2,670,932
Represented by:		
Endowment funds	363,244	296,137
Restricted funds	2,086,120	1,748,191
Unrestricted	661,053	626,604
	3,110,417	2,670,932

5 Commercial trading operations and investment in trading subsidiary

The wholly owned trading subsidiary, Kendal Catering Company Limited ("KCC"), which is incorporated in England, pays all its taxable profits to the Charity by gift aid. KCC operates the bars, restaurant and other commercial activities carried on at the Arts Centre. The Charity owns the entire issued share capital of 50,000 ordinary shares of £1 each. A summary of the KCC trading results is shown below.

Summary profit and loss account

	2021	2020
	£	£
Turnover	242,142	617,490
Cost of sales and administrative expenses	(319,922)	(625,362)
Other operating income	77,780	-
Retained loss in the subsidiary	-	(7,872)
The assets and liabilities of the subsidiary at 31 March 2021 were:		
Fixed assets	22,551	30,275
Current assets	62,384	77,498
Creditors: amounts falling due within one year	(40,686)	(63,524)
Net assets	44,249	44,249
Aggregate share capital and reserves	44,429	44,249

All the turnover of £242,142 (2020 - £617,490) is attributable to unrestricted funds. Total costs less other income and the reduction for management fees and rent, referred to above, total £319,922 (2020 - £625,362) of which £77,780 (2020 - £nil) was restricted and £242,142 (2020 - £625,362) was unrestricted. All of the operating income of £77,780 (2020 - £nil) is attributable to restricted funds.

Notes to financial statements (continued)

6 Investment income

	2021	2020
	£	£
Dividends and interest		
Brewery Income Support Fund	9,567	15,654
Rent receivable	-	3,963
Interest received	2	88
	9,569	19,705

All the investment income of £9,569 (2020 - £19,705) is attributable to unrestricted funds.

7 Activity income

	2021	2020
	£	£
Christmas show	-	9,431
Cinema	24,613	460,633
Adult Education	15,838	131,851
Youth Education	9,835	57,770
Drama	-	116,173
Stage on screen	60	-
Literature	3,038	1,281
Music	-	115,544
Visual Arts	-	726
Cultural Destinations	-	10,000
Partnership projects	-	2,486
Funded Projects	12,073	-
Other income (see note 8)	66,834	199,097
	132,291	1,104,992

Activity income of £132,291 (2020 - £1,104,992) is attributable to unrestricted funds.

8 Other income

	2021	2020
	£	£
Room/equipment hire and conferences	6,437	59,465
Booking fees and commission	1,955	39,974
Advertising	1,517	6,265
Car parking	7,926	57,552
Sponsorship	825	1,354
Sundry income	48,174	34,487
	66,834	199,097

All the other income of £66,834 (2020 - £199,097) is attributable to unrestricted funds.

9 Cost of generating voluntary income

	2021	2020
	£	£
Salary and other expenses	31,196	38,221
Support costs	10,969	12,734
	42,165	50,955

All the costs of generating voluntary income of £42,165 (2020 - £50,955) are attributable to unrestricted funds.

10 Charitable activity

	2021	2020
	£	£
Arts Centre Operation		
Activity expenditure		
Christmas show	-	10,646
Cinema	85,369	364,383
Adult Education	20,125	81,317
Youth Education	44,248	113,294
Drama	1,293	92,398
Stage on screen	2,079	-
Literature	-	924
Music	804	102,517
Visual Arts	-	3,599
Cultural Destinations	-	6,218
Marketing	63,400	102,392
Box office	45,043	91,891
Technical services	91,997	111,653
Site maintenance	105,626	143,414
House management	20,644	69,737
Partnership project	-	11,728
Funded projects	2,000	-
Depreciation	125,335	97,883
Support costs	486,569	456,914
Governance costs (note 12)	25,553	32,431
	1,120,085	1,893,339

Charitable activity totals £1,120,085 (2020 - £1,893,339) of which £578,091 (2020 - £151,666) was restricted and £541,994 (2020 - £1,741,673) was unrestricted.The depreciation charge includes £99,631 (2020 - £62,567) in relation to assets purchased with restricted funds.

11 Allocation of support costs

	Cost of generating voluntary income	Arts Centre Operation	Governance	2021	2020
	£	£	£	£	£
Support cost					
Finance and administration salaries	5,427	203,261	10,853	219,541	210,159
Employers National Insurance	628	37,191	1,255	39,074	48,913
Pension	-	18,107	-	18,107	40,557
Cultural Recovery	-	148,031	-	148,031	-
Training	-	190	-	190	4,312
Relocation Expenses	-		-	-	4,426
Phone and postage	741	5,931	741	7,413	10,229
Stationery and photocopying	669	4,349	1,673	6,691	8,029
Computer consumables and support	2,219	17,755	2,219	22,193	23,642
Rent, rates and insurance	-	19,893	-	19,893	51,291
Travel, entertaining and motor	-	1,379	-	1,379	720
Heat and power	1,285	23,132	1,285	25,702	63,560
Recruitment	-		-	-	1,960
Bank charges	-	1,360	-	1,360	10,697
Health and Safety	-	1,942	-	1,942	789
General	-	4,048	-	4,048	12,735
	10,969	486,569	18,026	515,564	492,019

11 Allocation of support costs (continued)

	Cost of generating voluntary income £	Arts Centre Operation £	Governance £	2020 £	2019 £
Support cost					
Finance and administration salaries	4,663	193,084	12,412	210,159	191,661
Employers National Insurance	537	47,129	1,247	48,913	45,917
Pension	166	40,251	140	40,557	29,078
Relocation Expenses	-	4,426	-	4,426	-
Training	-	4,312	-	4,312	2,478
Phone and postage	1,023	8,183	1,023	10,229	10,510
Stationery and photocopying	803	5,219	2,007	8,029	13,128
Computer consumables and support	2,364	18,914	2,364	23,642	12,203
Rent, rates and insurance	-	51,291	-	51,291	51,119
Travel, entertaining and motor	-	720	-	720	2,629
Heat and power	3,178	57,204	3,178	63,560	68,783
Recruitment	-	1,960	-	1,960	2,298
Bank charges	-	10,697	-	10,697	12,106
Health and Safety	-	789	-	789	439
General	-	12,735	-	12,735	9,012
	12,734	456,914	22,371	492,019	451,361

Notes to financial statements (continued)

12 Governance

	2021	2020
	£	£
Audit fee	7,000	6,500
Legal and licensing	514	1,947
Directors' liability insurance	-	679
Other governance costs	13	934
Support costs	18,026	22,371
	25,553	32,431

13 Staff costs

	Total 2021	Total 2020
	£	£
Staff costs:		
Wages and salaries	922,317	1,112,090
Social security costs	51,762	68,391
Pension costs	22,317	45,577
	996,396	1,226,058

No employee earned more than £60,000 in the current year (2020 - none).

One Trustee received emoluments and expenses in connection with their position as chief executive as follows: M Jones received £nil (2020 - £5,914) , pension contributions of £nil (2020 - £252) and expenses of £nil (2020 - £13). These payments have been ratified in writing by the Charity Commission as required by clause 6 of the Charity's Memorandum of Association.

The key management personnel of the charity comprise the Trustees and the Chief Executive. The total employment benefits of the key management personnel including any employer pension contributions were £54,267 (2020 - £50,607).

No other Trustee received any emoluments or was reimbursed for expenses during the year (2020 - £nil).

The average monthly number of full-time equivalent employees (including casual and part-time staff) during the year was as follows:

	2021	2020
	Number	Number
Administration and management	9	9
Bar and catering	7	10
Support	6	11
Activity	5	14
	27	44

14 Related party transactions

During the year ended 31 March 2021 A Lawson, a Trustee T/A Crickhollow Creative, provided Assistant tutoring and costumes to the charity of £60 (2020 - £357). £nil (2020 - £357 was included in creditors at the year end.

15 Net movement in funds

The net movement in funds is stated after charging:

	2021	2020
	£	£
Depreciation	133,140	104,109
Auditors' remuneration - Company	7,000	6,500
- Subsidiary	1,750	1,750

16 Fixed assets - Group

	Freehold buildings (Restricted) £	Freehold buildings (Unrestricted) £	Fixtures fittings & equipment (Restricted) £	Fixtures fittings & equipment (Unrestricted) £	Computer equipment (Restricted) £	Computer equipment (Unrestricted) £	Catering and bar equipment (Unrestricted) £	Total £
Cost								
Beginning of year	3,156,744	1,223,625	338,208	274,088	-	19,883	148,201	5,160,749
Additions	-	-	306,134	12,281	245,256	-	-	563,671
Disposals	-	-	-	-	-	-	-	-
End of year	3,156,744	1,223,625	644,342	286,369	245,256.00	19,883	148,201	5,724,420
Depreciation								
Beginning of year	1,792,275	328,110	131,608	167,890	-	17,110	117,926	2,554,919
Charge for the year	43,215	2,618	39,598	22,029	16,818	1,138	7,724	133,140
Eliminated on disposals	-	-	-	-	-	-	-	-
End of year	1,835,490	330,728	171,206	189,919	16,818.00	18,248	125,650	2,688,059
Net book value								
Beginning of year	1,364,469	895,515	206,600	106,198	-	2,773	30,275	2,605,830
End of year	1,321,254	892,897	473,136	96,450	228,438.00	1,635	22,551	3,036,361

No amount is attributed to the cost of freehold land as no information is available in this respect.

The Arts Council of England has a first charge over the Arts Centre site comprising the group's freehold land and buildings. The charge expired 30 September 2021.

17 Fixed assets - Company

	Freehold buildings (Restricted) £	Freehold buildings (Unrestricted) £	Fixtures fittings & equipment (Restricted) £	Fixtures fittings & equipment (Unrestricted) £	Computer equipment (Restricted) £	Computer equipment (Unrestricted) £	Total £
Cost							
Beginning of year	3,156,744	1,223,625	338,208	274,088	-	19,883	5,012,548
Additions	-	-	306,134	12,281	245,256	-	563,671
Disposals							-
End of year	3,156,744	1,223,625	644,342	286,369	245,256.00	19,883	5,576,219
Depreciation							
Beginning of year	1,792,275	328,110	131,608	167,890	-	17,110	2,436,993
Charge for the year	43,215	2,618	39,598	22,029	16,818	1,138	125,416
Disposals							-
End of year	1,835,490	330,728	171,206	189,919	16,818.00	18,248	2,562,409
Net book value							
Beginning of year	1,364,469	895,515	206,600	106,198	-	2,773	2,575,555
End of year	1,321,254	892,897	473,136	96,450	228,438	1,635	3,013,810

No amount is attributed to the cost of freehold land as no information is available in this respect.

The Arts Council of England has a first charge over the Arts Centre site comprising the company's freehold land and buildings. The charge expired on 30 September 2021.

18 Investments - Group	Listed 2021 £	Listed 2020 £
a) Market value		
Market value at beginning of year	293,308	377,352
Disposals	-	-
Net investment (losses)/gains	67,353	(84,044)
Market value at end of year	360,661	293,308
UK listed investments are represented by:		
- UK Equities - unit trusts	360,661	293,308
Material investments:		
CAF UK Equitrack Fund	360,661	293,308
b) Historical cost		
Historical cost at beginning of year	306,813	306,813
Disposals	-	-
Historical cost at end of year	306,813	306,813
c) Movement in unrealised gains		
At beginning of year	(13,505)	70,539
Less in respect of sales in the year	-	-
Add/(Deduct) in respect of increase/(decrease) in market value in year	67,353	(84,044)
At end of year	53,848	(13,505)

Net investment gains/(losses) amounted to a gain of £67,353 (2020 - loss of £84,044) of which a gain of £66,537 (2020 - loss of £83,023) related to endowment funds and a gain of £816 (2020 - loss of £1,021) related to unrestricted funds.

Unrealised gains/(losses) in the year amounted to a loss of £67,353 (2020 - loss of £84,044).

18	Investments (continued) - Company	Unlisted Cost 2021 £	Unlisted Cost 2020 £	Listed Market Value 2021 £	Listed Market Value 2020 £
	a) Cost/Market value				
	Cost/Market value at beginning of year	49,900	49,900	293,308	377,352
	Disposals	-	-	-	-
	Net investment gains/(losses)	-	-	67,353	(84,044)
	Cost/Market value at end of year	49,900	49,900	360,661	293,308
	UK listed investments are represented by:				
	- UK Equities - unit trusts			360,661	293,308
	Material investments:				
	CAF UK Equitrack Fund			360,661	293,308
	b) Historical cost				
	Historical cost at beginning of year			306,813	306,813
	Disposals			-	-
	Historical cost at end of year			306,813	306,813
	c) Movement in unrealised gains				
	At beginning of year			(13,505)	70,539
	Less in respect of sales in the year			-	-
	Add/(Deduct) in respect of increase/(decrease) in market value in year			67,353	(84,044)
	At end of year			53,848	(13,505)

Investments held by the Charity also include 50,000 shares of £1 each in its trading subsidiary company, Kendal Catering Company Limited. The original investment of £100 was written off many years ago and is included at net book value of £nil (2020 - £nil).

Net investment gains/(losses) amounted to a gain of £67,353 (2020 - loss of £84,044) of which a gain of £66,537 (2020 - loss of £83,023) related to endowment funds and a gain of £816 (2020 - loss of £1,021) related to unrestricted funds.

Unrealised gains in the year amounted to £67,353 (2020 - loss of £84,044).

19 Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	8,558	11,079	8,558	9,026
VAT	27,476	3,502	27,476	3,502
Prepayments and accrued income	80,526	43,016	63,993	42,083
	116,561	57,597	100,028	54,611

20 Creditors: Amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts (see note 21 below)	33,333	-	33,333	-
Trade creditors	103,734	87,265	103,465	74,116
Amount due to Kendal Catering Company Limited	-	-	23,691	747
Other creditors	19,186	26,979	19,086	26,879
VAT and social security	26,799	31,330	6,293	10,784
Accruals and deferred income	169,356	382,827	149,445	352,998
	352,408	528,401	335,313	465,524
Deferred income included above:				
Balance at beginning of year	264,985	89,612	264,985	89,612
Income deferred in the year	81,074	212,903	81,074	212,903
Released to statement of financial activities	(253,616)	(37,530)	(253,616)	(37,530)
Balance at end of year	92,443	264,985	92,443	264,985

21 Creditors: Amounts falling due after one year

	2021	2020	2021	2020
	£	£	£	£
Bank loans	105,556	-	105,556	-

The bank loan is secured by a debenture creating a fixed and floating charge over the assets of the charity.

Borrowings are repayable as follows:

- Between one and two years	33,333	-	33,333	-
- Between two and five years	72,233	-	72,233	-
	105,566	-	105,566	-
On demand or within one year	-	-	-	-
	105,566	-	105,566	-

22 Statement of funds

Group

	Balance 1 April 2020 £	Incoming resources £	Outgoing resources £	Transfers £	Net investment losses £	Balance 31 March 2021 £
Endowment funds						
- Permanent (BISF)	237,749	570	-	-	-	238,319
- Expendable	58,388	-	-	-	66,537	124,925
	296,137	570	-	-	66,537	363,244
Restricted funds						
- National Lottery	1,226,972	-	(43,215)	-	-	1,183,757
- Centre development	254,717	-	(20,992)	(2,070)	-	231,655
- Our Digital Future	266,502	442,512	(38,306)	-	-	670,708
- Job Retention Scheme	-	266,863	(266,863)	-	-	-
- Cultural Recovery	-	208,315	(208,315)	-	-	-
- Dream Scheme Funding	-	400	(400)	-	-	-
	1,748,191	918,090	(578,091)	(2,070)	-	2,086,120
Unrestricted funds						
- Designated funds						
- Buildings fund	895,515	-	(2,618)	-	-	892,897
	895,515	-	(2,618)	-	-	892,897
- General funds	(268,911)	935,644	(901,463)	2,070	816	(231,844)
Charity funds	626,604	935,644	(904,081)	2,070	816	661,053
Non charitable trading funds	(5,751)	-	-	-	-	(5,751)
Total unrestricted funds	620,853	935,644	(904,081)	2,070	816	655,302
Total funds	2,665,181	1,854,304	(1,482,172)	-	67,353	3,104,666

22 **Statement of funds (continued)**

Company	Balance 1 April 2020 £	Incoming resources £	Outgoing resources £	Transfers £	Net investment gains £	Balance 31 March 2021 £
Endowment funds						
- Permanent (BISF)	237,749	570	-	-	-	238,319
- Expendable	58,388	-	-	-	66,537	124,925
	296,137	570	-	-	66,537	363,244
Restricted funds						
- National Lottery	1,226,972	-	(43,215)	-	-	1,183,757
- Centre development	254,717	-	(20,992)	(2,070)	-	231,655
- Our Digital Future	266,502	442,512	(38,306)	-	-	670,708
- Job Retention Scheme	-	266,863	(266,863)	-	-	-
- Cultural Recovery	-	208,315	(208,315)	-	-	-
- Dream Scheme Funding	-	400	(400)	-	-	-
	1,748,191	918,090	(578,091)	(2,070)	-	2,086,120
Unrestricted funds						
- Designated funds						
- Buildings fund	895,515	-	(2,618)	-	-	892,897
	895,515	-	(2,618)	-	-	892,897
- General funds	(268,911)	693,502	(659,321)	2,070	816	(231,844)
Total unrestricted funds	626,604	693,502	(661,939)	2,070	816	661,053
Total funds	2,670,932	1,612,162	(1,240,030)	-	67,353	3,110,417

Endowment funds

a) Permanent endowment fund
This represents funds received from appeals under the terms of which these funds would form a permanent endowment.

b) Expendable endowment
Under the terms of the appeals referred to in a) above any capital appreciation of the original funds donated can, at the discretion of the Trustees, be applied towards the objects of the charity.

Restricted funds

a) The National Lottery Charities Board funded project provided for the redevelopment of the centre. Further funds have been received under the Regional Arts Lottery Programme for the purchase of technical equipment.

b) The Centre Development Fund represents donations and grants given to support the development of the centre.

c) The our Digital Future Fund represents donations and grants given to support the development of the cinema complex

d) The Job Retention Scheme Fund represents towards slary costs on the Coronavirus Job Retention Scheme who were placed on furlough and flexible furlough.

e) The Cultural Recovery Fund represents grants provided by the Department for Digital, Culture, Media and Sport and administered by Arts Council England, to support organisations facing business interruption due to the COVID pandemic.

f) The Dream Scheme Fund represents grant funding to provide online cultural activities for children during lockdown.

Designated funds

a) Buildings fund

The Trustees separated the unrestricted buildings into a designated fund during the year ended 31 March 2006 in order that they could monitor the costs of operation of the charity exclusive of the depreciation on these assets. The depreciation charge for the current year amounted to £2,618 (2020 - £2,618).

Transfers

The transfers have been made in order to:

i) transfer restricted depreciation previously treated as unrestricted.

22 Statement of funds (continued)

Group - prior year

	Balance 1 April 2019 £	Incoming resources £	Outgoing resources £	Transfers £	Net investment losses £	Balance 31 March 2020 £
Endowment funds						
- Permanent (BISF)	237,071	678	-	-	-	237,749
- Expendable	71,262	-	-	70,149	(83,023)	58,388
- Fair value reserve	70,149	-	-	(70,149)	-	-
	378,482	678	-	-	(83,023)	296,137
Restricted funds						
- National Lottery	1,270,187	-	(43,215)	-	-	1,226,972
- Centre development	272,734	170	(18,187)	-	-	254,717
- Cultural Destinations	2,763	-	(2,763)	-	-	-
- Our Digital Future	34,410	238,085	(5,993)	-	-	266,502
- Project Emotional Warrior	-	6,271	(6,271)	-	-	-
- Applied Theatre in Cumbria	-	63,802	(63,802)	-	-	-
- Creative Connections	-	3,860	(3,860)	-	-	-
- Dignity in Dementia	-	7,575	(7,575)	-	-	-
	1,580,094	319,763	(151,666)	-	-	1,748,191
Unrestricted funds						
- Designated funds						
- Buildings fund	898,133	-	(2,618)	-	-	895,515
	898,133	-	(2,618)	-	-	895,515
- General funds	(185,452)	2,325,062	(2,407,500)	-	(1,021)	(268,911)
Charity funds	712,681	2,325,062	(2,410,118)	-	(1,021)	626,604
Non charitable trading funds	2,121	-	(7,872)	-	-	(5,751)
Total unrestricted funds	714,802	2,325,062	(2,417,990)	-	(1,021)	620,853
Total funds	2,673,378	2,645,503	(2,569,656)	-	(84,044)	2,665,181

Company - prior year

	Balance 1 April 2019 £	Incoming resources £	Outgoing resources £	Transfers £	investment gains £	Balance 31 March 2020 £
Endowment funds						
- Permanent (BISF)	237,071	678	-	-	-	237,749
- Expendable	71,262	-	-	70,149	(83,023)	58,388
- Fair value reserve	70,149	-	-	(70,149)	-	-
	378,482	678	-	-	(83,023)	296,137
Restricted funds						
- National Lottery	1,270,187	-	(43,215)	-	-	1,226,972
- Centre development	272,734	170	(18,187)	-	-	254,717
- Cultural Destinations	2,763	-	(2,763)	-	-	-
- Our Digital Future	34,410	238,085	(5,993)	-	-	266,502
- Project Emotional Warrior	-	6,271	(6,271)	-	-	-
- Applied Theatre in Cumbria	-	63,802	(63,802)	-	-	-
- Creative Connections	-	3,860	(3,860)	-	-	-
- Dignity in Dementia	-	7,575	(7,575)	-	-	-
	1,580,094	319,763	(151,666)	-	-	1,748,191
Unrestricted funds						
- Designated funds						
- Buildings fund	898,133	-	(2,618)	-	-	895,515
	898,133	-	(2,618)	-	-	895,515
- General funds	(185,452)	1,707,572	(1,790,010)	-	(1,021)	(268,911)
Total unrestricted funds	712,681	1,707,572	(1,792,628)	-	(1,021)	626,604
Total funds	2,671,257	2,028,013	(1,944,294)	-	(84,044)	2,670,932

23 Analysis of net assets between funds

Group

	Endowment funds	Restricted funds: Lottery	Restricted funds: Centre Development	Restricted funds: Our Digital Future	Unrestricted funds	Total
	£	£	£	£	£	£
Fixed assets	-	1,183,757	231,655	670,708	950,241	3,036,361
Investments	363,244	-	-	-	(2,583)	360,661
Net current assets/(liabilities)	-	-	-	-	(186,799)	(186,799)
Creditors falling due after one year	-	-	-	-	(105,556)	(105,556)
	363,244	1,183,757	231,655	670,708	655,302	3,104,666

Company

	Endowment funds	Restricted funds: Lottery	Restricted funds: Centre Development	Restricted funds: Our Digital Future	Unrestricted funds	Total
	£	£	£	£	£	£
Fixed assets	-	1,183,757	231,655	670,708	927,690	3,013,810
Investments	363,244	-	-	-	47,317	410,561
Net current assets/(liabilities)	-	-	-	-	(208,397)	(208,397)
Creditors falling due after one year	-	-	-	-	(105,556)	(105,556)
	363,244	1,183,757	231,655	670,708	661,053	3,110,417

Group - prior year

	Endowment funds	Restricted funds: Lottery	Restricted funds: Centre Development	Restricted funds: Our Digital Future	Unrestricted funds	Total
	£	£	£	£	£	£
Fixed assets	-	1,226,972	254,717	266,502	857,639	2,605,830
Investments	296,137	-	-	-	(2,829)	293,308
Net current assets/(liabilities)	-	-	-	-	(233,957)	(233,957)
	296,137	1,226,972	254,717	266,502	620,853	2,665,181

Company

	Endowment funds	Restricted funds: Lottery	Restricted funds: Centre Development	Restricted funds: Our Digital Future	Unrestricted funds	Total
	£	£	£	£	£	£
Fixed assets	-	1,226,972	254,717	266,502	827,364	2,575,555
Investments	296,137	-	-	-	47,071	343,208
Net current assets/(liabilities)	-	-	-	-	(247,831)	(247,831)
	296,137	1,226,972	254,717	266,502	626,604	2,670,932

24 Reconciliation of net income to net cash flow from operating activities

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Net movement in funds	439,485	(8,197)	439,485	(325)
Depreciation and impairment	133,140	105,767	125,416	97,883
Loss on disposal of fixed assets		110	-	-
Dividends, interest and rent receivable	(9,569)	(19,705)	(9,569)	(19,705)
(Gain)/loss on investments	(67,353)	84,044	(67,353)	84,044
Increase in stocks	9,907	(15,746)	-	-
Decrease/(increase) in debtors	(58,964)	53,051	(45,417)	38,527
(Decrease)/increase in creditors	(209,326)	80,184	(163,544)	23,507
Net cash inflow from operating activities	237,321	279,508	279,019	223,931

26 Taxation

The company is a registered charity and is therefore not liable to tax on any surplus.