

**THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED**  
**(A company limited by guarantee)**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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

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**THE KENDAL BREWERY ART CENTRE TRUST LIMITED**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

<b>Trustees</b>	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)
<b>Company registered number</b>	03927101
<b>Charity registered number</b>	1086789
<b>Registered office</b>	Brewery Arts 122A Highgate Kendal Cumbria LA9 4HE
<b>Company secretary</b>	H Askew
<b>Chief executive officer</b>	M Randall
<b>Independent auditors</b>	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors Fairview House Victoria Place Carlisle Cumbria CA1 1HP
<b>Bankers</b>	Yorkshire Bank 7 Stricklandgate Kendal Cumbria LA9 4NB
<b>Solicitors</b>	Milne Moser Solicitors Westmorland House The Square Milnthorpe Cumbria LA7 7QJ

**THE KENDAL BREWERY ART CENTRE TRUST LIMITED**  
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**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.



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**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.

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

**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.

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

**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.

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

**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.

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

**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.

**THE KENDAL BREWERY ART CENTRE TRUST LIMITED**  
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**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.



# THE KENDAL BREWERY ART CENTRE TRUST LIMITED

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## 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

**THE KENDAL BREWERY ART CENTRE TRUST LIMITED**  
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**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.



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**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.

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**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.

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**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.

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

**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](http://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**

		Endowment funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	<i>As restated Total funds 2021 £</i>
	Note					
<b>Income and endowments from:</b>						
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
<b>Total income and endowments</b>		<b>471</b>	<b>413,251</b>	<b>1,410,938</b>	<b>1,824,660</b>	<b>1,848,370</b>
<b>Expenditure on:</b>						
Raising funds	8	-	-	488,318	488,318	362,087
Charitable activities	9	-	533,337	905,323	1,438,660	1,157,277
<b>Total expenditure</b>		<b>-</b>	<b>533,337</b>	<b>1,393,641</b>	<b>1,926,978</b>	<b>1,519,364</b>
<b>Net income/(expenditure) before net gains on investments</b>						
		471	(120,086)	17,297	(102,318)	329,006
Net gains on investments		30,041	-	-	30,041	67,353
<b>Net income/(expenditure)</b>		<b>30,512</b>	<b>(120,086)</b>	<b>17,297</b>	<b>(72,277)</b>	<b>396,359</b>
Transfers between funds	21	-	(1,045,059)	1,045,059	-	-
<b>Net movement in funds</b>		<b>30,512</b>	<b>(1,165,145)</b>	<b>1,062,356</b>	<b>(72,277)</b>	<b>396,359</b>
<b>Reconciliation of funds:</b>						
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
<b>Total funds carried forward</b>		<b>393,755</b>	<b>805,567</b>	<b>1,537,220</b>	<b>2,736,542</b>	<b>2,808,819</b>

**THE KENDAL BREWERY ART CENTRE TRUST LIMITED**

**(A company limited by guarantee)**

**REGISTERED NUMBER: 03927101**

**CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2022**

	<b>Note</b>	<b>2022 £</b>	<i>As restated 2021 £</i>
<b>Fixed assets</b>			
Tangible assets	14	<b>2,703,757</b>	2,776,493
Investments	15	-	360,661
		<b>2,703,757</b>	<b>3,137,154</b>
<b>Current assets</b>			
Stocks	16	<b>15,463</b>	5,839
Debtors	17	<b>81,062</b>	90,088
Cash at bank and in hand		<b>382,074</b>	43,209
		<b>478,599</b>	139,136
Creditors: amounts falling due within one year	18	<b>(373,581)</b>	(361,915)
<b>Net current assets / Liabilities</b>		<b>105,018</b>	(222,779)
<b>Total assets less current liabilities</b>		<b>2,808,775</b>	2,914,375
Creditors: amounts falling due after more than one year	19	<b>(72,233)</b>	(105,556)
<b>Total net assets</b>		<b>2,736,542</b>	2,808,819
<b>Charity funds</b>			
Endowment funds	21	<b>393,755</b>	363,243
Restricted funds	21	<b>805,567</b>	1,970,712
Unrestricted funds	21	<b>1,537,220</b>	474,864
<b>Total funds</b>		<b>2,736,542</b>	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**

	<b>Note</b>	<b>2022 £</b>	<i>As restated 2021 £</i>
<b>Fixed assets</b>			
Tangible assets	14	<b>2,694,779</b>	2,753,942
Investments	15	<b>49,900</b>	410,561
		<hr/> <b>2,744,679</b>	<hr/> 3,164,503
<b>Current assets</b>			
Debtors	17	<b>82,836</b>	73,555
Cash at bank and in hand		<b>369,436</b>	26,888
		<hr/> <b>452,272</b>	<hr/> 100,443
Creditors: amounts falling due within one year	18	<b>(339,658)</b>	(321,136)
		<hr/> <b>112,614</b>	<hr/> (220,693)
<b>Net current assets / Liabilities</b>			
		<hr/> <b>2,857,293</b>	<hr/> 2,943,810
<b>Total assets less current liabilities</b>			
Creditors: amounts falling due after more than one year	19	<b>(72,233)</b>	(105,556)
		<hr/> <b>2,785,060</b>	<hr/> 2,838,254
<b>Total net assets</b>		<hr/> <b>2,785,060</b>	<hr/> 2,838,254
<b>Charity funds</b>			
Endowment funds	21	<b>393,756</b>	363,243
Restricted funds	21	<b>805,569</b>	1,970,712
Unrestricted funds	21	<b>1,585,735</b>	504,299
		<hr/> <b>2,785,060</b>	<hr/> 2,838,254
<b>Total funds</b>		<hr/> <b>2,785,060</b>	<hr/> 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.

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)

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	196,707	237,320
<b>Cash flows from investing activities</b>		
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	-
<b>Net cash provided by/(used in) investing activities</b>	175,480	(554,101)
<b>Cash flows from financing activities</b>		
Cash inflows from new borrowing	-	150,000
Repayments of borrowing	(33,322)	(11,111)
<b>Net cash (used in)/provided by financing activities</b>	(33,322)	138,889
<b>Change in cash and cash equivalents in the year</b>	338,865	(177,892)
Cash and cash equivalents at the beginning of the year	43,209	221,101
<b>Cash and cash equivalents at the end of the year</b>	382,074	43,209

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)**

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**3. Income from donations and legacies**

	<b>Endowment funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 as restated £</i>
<b>Grants</b>					
Arts Council - NPO	-	-	327,776	<b>327,776</b>	327,776
Arts Council - Cultural Recovery	-	236,630	-	<b>236,630</b>	203,315
Arts Council - ODF	-	82,121	-	<b>82,121</b>	330,521
Arts Council - Catalyst	-	-	-	-	1,888
South Lakeland District Council	-	65,500	-	<b>65,500</b>	65,500
Covid support	-	-	6,000	<b>6,000</b>	39,250
Brewery Arts Centre Endowment Trust	-	-	66,000	<b>66,000</b>	67,200
Cumbria County Council	-	-	10,000	<b>10,000</b>	10,000
CCC - ODF	-	-	-	-	99,991
Kendal Town Council	-	-	10,000	<b>10,000</b>	10,000
Film Hub North	-	29,000	-	<b>29,000</b>	20,000
<b>Other Grants</b>					
SLDC Restart grant	-	-	18,000	<b>18,000</b>	-
Other grant income	-	-	-	-	400
<b>Subtotal detailed disclosure</b>	-	413,251	437,776	<b>851,027</b>	1,175,841
Donations	471	-	17,245	<b>17,716</b>	27,598
<b>Subtotal</b>	471	-	17,245	<b>17,716</b>	27,598
	471	413,251	455,021	<b>868,743</b>	1,203,439
<i>Total 2021 as restated</i>	570	651,227	551,642	1,203,439	

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**4. Income from charitable activities**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 as restated £</i>
Cinema	204,869	<b>204,869</b>	24,610
Stage on screen	4,207	<b>4,207</b>	60
Adult Education	8,238	<b>8,238</b>	3,038
Youth Education	2,000	<b>2,000</b>	12,073
Theatre, Dance & Literature	73,334	<b>73,334</b>	66,837
Music	65,924	<b>65,924</b>	11,713
Comedy	32,813	<b>32,813</b>	8,026
Funded Projects	59,406	<b>59,406</b>	-
Other income	30,343	<b>30,343</b>	-
	<hr/> 481,134 <hr/>	<hr/> <b>481,134</b> <hr/>	<hr/> 126,357 <hr/>

**5. Income from other trading activities**

**Income from non charitable trading activities**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Bar & catering	374,497	<b>374,497</b>	57,469
Car park income	23,353	<b>23,353</b>	-
Other income	728	<b>728</b>	3,937
	<hr/> 398,578 <hr/>	<hr/> <b>398,578</b> <hr/>	<hr/> 61,406 <hr/>

**6. Investment income**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Income from local listed investments	5,492	<b>5,492</b>	9,569
	<hr/>	<hr/>	<hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**7. Other incoming resources**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Coronavirus Job Retention Scheme	70,713	<b>70,713</b>	447,599

**8. Expenditure on raising funds**

**Costs of raising voluntary income**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Wages and salaries	32,845	<b>32,845</b>	31,196
National Insurance	3,203	<b>3,203</b>	-
Pensions	1,321	<b>1,321</b>	-
Direct costs	221	<b>221</b>	-
Support costs	3,954	<b>3,954</b>	10,969
	<b>41,544</b>	<b>41,544</b>	42,165

**Other trading expenses**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Cost of sales	138,055	<b>138,055</b>	33,000
Administration expenses	45,406	<b>45,406</b>	26,241
Administration staff costs	251,366	<b>251,366</b>	260,681
Car park costs	2,024	<b>2,024</b>	-
Administration depreciation	9,923	<b>9,923</b>	-
	<b>446,774</b>	<b>446,774</b>	319,922



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**9. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Restricted funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total 2022 £</b>	<i>As restated Total 2021 £</i>
Cinema	29,000	251,413	<b>280,413</b>	136,440
Stage on screen	-	34,929	<b>34,929</b>	13,815
Live events	42,633	267,064	<b>309,697</b>	108,979
Creative learning	16,375	81,599	<b>97,974</b>	41,532
Education & Outreach	25,425	140,283	<b>165,708</b>	-
Support costs	419,904	130,035	<b>549,939</b>	-
Education & Outreach	-	-	-	90,718
Support costs	-	-	-	765,793
	<b>533,337</b>	<b>905,323</b>	<b>1,438,660</b>	<b>1,157,277</b>
<i>Total 2021 as restated</i>	<b>598,011</b>	<b>559,266</b>	<b>1,157,277</b>	

**10. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>	<i>As restated Total funds 2021 £</i>
Cinema	145,082	135,331	<b>280,413</b>	136,440
Stage on screen	2,241	32,688	<b>34,929</b>	13,815
Live events	99,773	209,923	<b>309,696</b>	108,979
Creative learning	34,885	63,089	<b>97,974</b>	41,532
Education & outreach	38,039	127,669	<b>165,708</b>	90,718
Support costs	-	549,940	<b>549,940</b>	765,793
	<b>320,020</b>	<b>1,118,640</b>	<b>1,438,660</b>	<b>1,157,277</b>
<i>Total 2021 as restated</i>	<b>153,918</b>	<b>1,003,359</b>	<b>1,157,277</b>	

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**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**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Charity 2022 £</b>	<i>Charity 2021 £</i>
Wages and salaries	<b>750,234</b>	922,317	<b>516,642</b>	678,534
Social security costs	<b>50,284</b>	51,762	<b>36,902</b>	39,074
Contribution to defined contribution pension schemes	<b>34,248</b>	22,317	<b>29,856</b>	18,107
	<b>834,766</b>	996,396	<b>583,400</b>	735,715

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

	<b>Group 2022 No.</b>	<i>Group 2021 No.</i>	<b>Charity 2022 No.</b>	<i>Charity 2021 No.</i>
Administration and management	<b>10</b>	11	<b>10</b>	11
Bar and catering	<b>21</b>	22	-	-
Support	<b>13</b>	18	<b>13</b>	18
Activity	<b>9</b>	18	<b>9</b>	18
	<b>53</b>	69	<b>32</b>	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).

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**14. Tangible fixed assets**

**Group**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
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
<b>Depreciation</b>					
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
<b>Net book value</b>					
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

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**14. Tangible fixed assets (continued)**

**Charity**

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
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	<u>4,380,369</u>	<u>932,779</u>	<u>258,524</u>	<u>5,571,672</u>
<b>Depreciation</b>				
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	<u>2,509,111</u>	<u>286,508</u>	<u>81,274</u>	<u>2,876,893</u>
<b>Net book value</b>				
At 31 March 2022	<u><u>1,871,258</u></u>	<u><u>646,271</u></u>	<u><u>177,250</u></u>	<u><u>2,694,779</u></u>
At 31 March 2021	<u><u>1,954,283</u></u>	<u><u>569,585</u></u>	<u><u>230,074</u></u>	<u><u>2,753,942</u></u>

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

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**15. Fixed asset investments**

	Investments in subsidiary companies £
<b>Charity</b>	
<b>Cost or valuation</b>	
At 1 April 2021	49,900
At 31 March 2022	<u>49,900</u>
<b>Net book value</b>	
At 31 March 2022	49,900
At 31 March 2021	<u>49,900</u>

**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

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**16. Stocks**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>
Finished goods and goods for resale	<b>15,463</b>	5,839

**17. Debtors**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Charity 2022 £</b>	<i>Charity 2021 £</i>
<b>Due within one year</b>				
Trade debtors	<b>5,590</b>	8,558	<b>5,229</b>	8,558
Amounts owed by group undertakings	-	-	<b>3,006</b>	-
Prepayments and accrued income	<b>75,472</b>	81,530	<b>74,601</b>	64,997
	<b>81,062</b>	90,088	<b>82,836</b>	73,555

**18. Creditors: Amounts falling due within one year**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Charity 2022 £</b>	<i>Charity 2021 £</i>
Bank loans	<b>33,323</b>	33,333	<b>33,323</b>	33,333
Trade creditors	<b>61,217</b>	103,734	<b>48,513</b>	103,465
Amounts owed to group undertakings	-	-	-	7
Other taxation and social security	<b>71,898</b>	36,304	<b>60,399</b>	15,798
Other creditors	<b>53,165</b>	39,098	<b>52,676</b>	19,087
Accruals and deferred income	<b>153,978</b>	149,446	<b>144,747</b>	149,446
	<b>373,581</b>	361,915	<b>339,658</b>	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.

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

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Charity 2022 £</b>	<i>Charity 2021 £</i>
Bank loans	<b>72,233</b>	<i>105,556</i>	<b>72,233</b>	<i>105,556</i>

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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**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 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Buildings fund	772,120	-	(19,890)	981,531	-	1,733,761
<b>General funds</b>						
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)
<b>Total Unrestricted funds</b>	474,864	1,410,938	(1,393,641)	1,045,059	-	1,537,220
<b>Endowment funds</b>						
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



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**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)	-	-	-
	<u>1,970,712</u>	<u>413,251</u>	<u>(533,337)</u>	<u>(1,045,059)</u>	<u>-</u>	<u>805,567</u>
<b>Total of funds</b>	<u><b>2,808,819</b></u>	<u><b>1,824,660</b></u>	<u><b>(1,926,978)</b></u>	<u><b>-</b></u>	<u><b>30,041</b></u>	<u><b>2,736,542</b></u>

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.

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

**Statement of funds - prior year**

	<i>Balance at 1 April 2020 £</i>	<i>As restated Income £</i>	<i>As restated Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2021 £</i>
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Buildings fund	792,009	-	(19,890)	-	-	772,119
<b>General funds</b>						
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)
	<u>(304,706)</u>	<u>1,225,948</u>	<u>(1,221,383)</u>	<u>2,070</u>	<u>816</u>	<u>(297,255)</u>
<b>Total Unrestricted funds</b>	<u>487,303</u>	<u>1,225,948</u>	<u>(1,241,273)</u>	<u>2,070</u>	<u>816</u>	<u>474,864</u>
	<i>Balance at 1 April 2020 £</i>	<i>As restated Income £</i>	<i>As restated Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2021 £</i>
<b>Endowment funds</b>						
BISF Permanent	237,749	569	-	-	-	238,318
BISF Expendable	58,388	-	-	-	66,537	124,925
	<u>296,137</u>	<u>569</u>	<u>-</u>	<u>-</u>	<u>66,537</u>	<u>363,243</u>

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

	<i>Balance at 1 April 2020 £</i>	<i>As restated Income £</i>	<i>As restated Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2021 £</i>
<b>Restricted funds</b>						
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)	-	-	-
	<u>1,629,020</u>	<u>918,090</u>	<u>(574,328)</u>	<u>(2,070)</u>	<u>-</u>	<u>1,970,712</u>
<b>Total of funds</b>	<u>2,412,460</u>	<u>2,144,607</u>	<u>(1,815,601)</u>	<u>-</u>	<u>67,353</u>	<u>2,808,819</u>

**22. Summary of funds**

**Summary of funds - current year**

	<b>Balance at 1 April 2021 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Balance at 31 March 2022 £</b>
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
	<u>2,808,819</u>	<u>1,824,660</u>	<u>(1,926,978)</u>	<u>-</u>	<u>30,041</u>	<u>2,736,542</u>

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**22. Summary of funds (continued)**

**Summary of funds - prior year**

	<i>Balance at 1 April 2020 £</i>	<i>As restated Income £</i>	<i>As restated Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2021 £</i>
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
	<u>2,412,460</u>	<u>2,144,607</u>	<u>(1,815,601)</u>	<u>-</u>	<u>67,353</u>	<u>2,808,819</u>

**23. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

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

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**23. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Endowment funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
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)
<b>Total</b>	<b>363,244</b>	<b>1,970,713</b>	<b>474,862</b>	<b>2,808,819</b>

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

	<b>Group 2022 £</b>	<b>Group 2021 £</b>
Net income/expenditure for the year (as per Statement of Financial Activities)	<b>(72,277)</b>	<b>396,359</b>
<b>Adjustments for:</b>		
Depreciation charges	<b>249,067</b>	<b>133,140</b>
Dividends, interests and rents from investments	<b>(5,492)</b>	<b>(9,569)</b>
Loss/(profit) on the sale of fixed assets	<b>14,342</b>	<b>(67,353)</b>
Decrease/(increase) in stocks	<b>(9,624)</b>	<b>9,907</b>
Increase in debtors	<b>(479)</b>	<b>(58,964)</b>
Increase/(decrease) in creditors	<b>21,171</b>	<b>(209,326)</b>
<b>Net cash provided by operating activities</b>	<b>196,708</b>	<b>194,194</b>

**25. Analysis of cash and cash equivalents**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>
Cash in hand	<b>382,074</b>	<b>43,209</b>
<b>Total cash and cash equivalents</b>	<b>382,074</b>	<b>43,209</b>

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**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)
	<u>(95,680)</u>	<u>372,198</u>	<u>276,518</u>

**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.