

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)

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1
Trustees' report	2 - 10
Independent auditors' report on the financial statements	11 - 14
Consolidated statement of financial activities	15
Consolidated balance sheet	16 - 17
Charity balance sheet	18 - 19
Consolidated statement of cash flows	20
Notes to the financial statements	21 - 42

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

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

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.

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

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

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.

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

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

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.

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

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

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 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.

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

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

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' depreciation charge to the restricted funds.

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

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

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.

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

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

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.

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

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.

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

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

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

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.

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

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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KENDAL BREWERY ARTS 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.

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

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

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 03927101

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
		<u>2,757,559</u>	<u>2,744,679</u>
Current assets			
Debtors	18	34,397	82,836
Cash at bank and in hand		770	369,436
		<u>35,167</u>	<u>452,272</u>
Creditors: amounts falling due within one year	19	(347,175)	(339,658)
Net current assets / Liabilities		<u>(312,008)</u>	<u>112,614</u>
Total assets less current liabilities		<u>2,445,551</u>	<u>2,857,293</u>
Creditors: amounts falling due after more than one year	20	(38,889)	(72,233)
Total net assets		<u><u>2,406,662</u></u>	<u><u>2,785,060</u></u>

THE KENDAL BREWERY ARTS CENTRE TRUST LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 03927101

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	<u>2,406,662</u>	<u>2,785,060</u>

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.

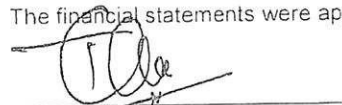
The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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.

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)

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

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

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.

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

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

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.

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

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

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.

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

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

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 ARTS CENTRE TRUST LIMITED
(A company limited by guarantee)

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

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.

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

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
 <i>Total 2022</i>	<i>471</i>	<i>413,251</i>	<i>455,021</i>	<i>868,743</i>	

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

**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
	<u>721,086</u>	<u>721,086</u>	<u>481,134</u>

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
	<u>683,016</u>	<u>683,016</u>	<u>398,578</u>

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from local listed investments	<u>3,304</u>	<u>3,304</u>	<u>5,492</u>

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

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

7. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Coronavirus Job Retention Scheme	-	-	70,713
	<u>-</u>	<u>-</u>	<u>70,713</u>

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
	<u>41,724</u>	<u>41,724</u>	<u>41,544</u>

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
	<u>614,938</u>	<u>614,938</u>	<u>446,774</u>

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

**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
	<u>240,408</u>	<u>1,551,579</u>	<u>1,791,987</u>	<u>1,438,660</u>
<i>Total 2022</i>	<u>533,337</u>	<u>905,323</u>	<u>1,438,660</u>	

11. Analysis of expenditure by activities

	Activities 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
	<u>485,297</u>	<u>1,306,690</u>	<u>1,791,987</u>	<u>1,438,660</u>
<i>Total 2022</i>	<u>320,020</u>	<u>1,118,640</u>	<u>1,438,660</u>	

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.

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

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

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
	<u>1,098,084</u>	<u>834,766</u>	<u>791,444</u>	<u>583,400</u>

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
	<u>65</u>	<u>53</u>	<u>41</u>	<u>32</u>

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).

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

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

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

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

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.

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

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

16. Fixed asset investments

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

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)
	<hr/>	<hr/>	<hr/>
At 31 March 2023	<u>49,900</u>	<u>249,687</u>	<u>299,587</u>
 Net book value			
At 31 March 2023	<u>49,900</u>	<u>249,687</u>	<u>299,587</u>
 <i>At 31 March 2022</i>	<hr/> <u>49,900</u>	<hr/> <u>-</u>	<hr/> <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

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

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

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
	<u>34,957</u>	<u>81,062</u>	<u>34,397</u>	<u>82,836</u>

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

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

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
	<u>390,092</u>	<u>373,581</u>	<u>347,175</u>	<u>339,658</u>

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 longer 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.

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

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

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

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

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)	-	-	-
	<u>805,567</u>	<u>182,170</u>	<u>(240,408)</u>	<u>-</u>	<u>-</u>	<u>747,329</u>
Total of funds	<u>2,736,542</u>	<u>2,105,509</u>	<u>(2,448,650)</u>	<u>-</u>	<u>(4,407)</u>	<u>2,388,994</u>

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

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

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)	-	-	-

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

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

21. Statement of funds (continued)

Statement of funds - prior year (continued)

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2022 £</i>
Strategic Cultural Partnerships	-	65,500	(65,500)	-	-	-
National Lottery	1,044,666	-	(63,135)	(981,531)	-	-
	<u>1,970,712</u>	<u>413,251</u>	<u>(533,337)</u>	<u>(1,045,059)</u>	<u>-</u>	<u>805,567</u>
Total of funds	<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>

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. 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.

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

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

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
	<u>2,736,542</u>	<u>2,105,509</u>	<u>(2,448,650)</u>	<u>-</u>	<u>(4,407)</u>	<u>2,388,994</u>

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
	<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>

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	<u>149,687</u>	<u>747,329</u>	<u>1,491,978</u>	<u>2,388,994</u>

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

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

23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Endowment funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
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

	<i>Group 2023 £</i>	<i>Group 2022 £</i>
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

	<i>Group 2023 £</i>	<i>Group 2022 £</i>
Cash in hand	50,996	382,074
Total cash and cash equivalents	50,996	382,074

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

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

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)
	<u>276,518</u>	<u>(366,521)</u>	<u>66,657</u>	<u>(23,346)</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 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
	<u>11,866</u>	<u>16,582</u>

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.