

Charity number: 1100759
Company number: 4878364

Friends of the Lake District

Trustees' report and financial statements for the year ended 31 December 2021

Friends of the Lake District
*The only membership organisation dedicated to protecting and enhancing
the Lake District and Cumbria's landscapes*

Legal and administrative information

Charity number 1100759

Company registration number 4878364, Registered Company in England and Wales.

Business address and registered office

Friends of the Lake District
Murley Moss
Oxenholme Road
Kendal
Cumbria
LA9 7SS

Auditors

Lamont Pridmore
136 Highgate
Kendal
Cumbria
LA9 4HW

Solicitors

Burnetts
6 Victoria Place
Carlisle
Cumbria
CA1 1ES

Bankers

CAF Bank Limited
Kings Hill
West Malling
Kent
ME19 4TA

National Westminster Bank
10 Elephant Yard
Kendal,
Cumbria
LA9 4LZ

Co-operative Bank
Delf House
Skelmersdale
WN8 6WT

Investment Advisors

Brewin Dolphin
1 Mason Court
Gillan Way, Penrith 40 Business Park
Penrith, Cumbria
CA11 9GR

CCLA Investment Management Ltd
Senator House
85 Queen Victoria Street
London EC4V 4ET

Canaccord Genuity Wealth Management Ltd
Talisman House,
Boardmans Way,
Blackpool
FY4 5FY

President

Mr John Entwistle OBE (to July 2021)

Vice President

Mr John Campbell (from July 2021)

Emeritus President

Sir Martin Holdgate CB

Trustees

John Campbell (Chairman) to July 2021

Judith Cooke (Chair) from July 2021, Vice Chair to July 2021,

David Felton (Honorary Treasurer)

Philip Cropper (Vice Chair) from July 2021

Michael Day (to July 2021)

Laura Doan (Co-opted from July 2021)

Robin Forrest (Co-opted from July 2021)

Lucy Hetherington

Sarah Hodgson-Jones

Tiffany Hunt (to July 2021)

Antony Leeming (to July 2021)

Anthony Vaux (Co-opted from July 2021)

Staff (Full and Part time)

Kay Andrews (Landscape Engagement Officer) from November 2021

Janine Bickerstaff (Membership Officer) to August 2021

Douglas Chalmers (Chief Executive)

Stuart Clayton (Head of Finance and Operations) from December 2021

Jan Darrall (Policy Officer)

Rachel Dorrington (Fundraising Officer)

Jack Ellerby (Dark Skies Officer)

Nicola Estill (Community Engagement Officer – Westmorland Dales Landscape Partnership)

David Evans (Scheme Manager, Westmorland Dales Landscape Partnership)

Dawn Groundsell (Communications Officer)

Clare Hucknall (Company Secretary)

Catriona James (Finance and Office Manager) to June 2021

Chris James (Communications Officer)

Jodie Lucas-Jones (Office Administrator) to December 2021

Hannah Kingsbury (Cultural Heritage Officer – Westmorland Dales Landscape Partnership)

Ruth Kirk (Landscape Engagement Officer) to July 2021

Marianne Kitchen (Finance Administrator)

Amanda McCleery (Overhead Wires Project Officer)

Penny McMullen (Administration and Finance Officer – Westmorland Dales Landscape Partnership)

Megan Mattinson (Administration Assistant) from July 2021

Ellie Morton (Membership Officer) from November 2021

Jasmine O'Flaherty (Database Administrator)

Laura Partington (Policy Officer) from December 2021

Vanessa Rhoden (Fundraising Manager) from March 2020

Andrew Tait (Policy Officer) to July 2021

Amanda Walters (Interpretation Officer – Westmorland Dales Landscape Partnership)

Kate Willshaw (Policy Officer)

Lorayne Woodend Wall (Planning Officer)

Claire Wickham (Office Administrator) to May 2021

Report of the Trustees (incorporating the Directors' Report) for the year ended 31 December 2021

The Trustees present their annual report and financial statements of the charity for the year ended 31 December 2021, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The Trustees, who are also directors for the purposes of company law and who are serving at the date of this report, are set out on page 3.

Chair's Report

This report contains some very positive achievements and changes during the year being reviewed as well as some thoughts about the current year and looking ahead for Friends of the Lake District.

Throughout 2021, our work remained dominated by COVID-19 lockdowns and the challenges the pandemic posed for Friends of the Lake District. Despite being hampered by some of the restrictions, we continued work on key projects and campaigns including our work on sustainable transport which included working with others (in particular the Lake District National Park Partnership and local supportive organisations) to identify longer term solutions to the increasing pressures on transport within the Lake District. It is clear that transport is now a landscape issue given the continuing increase in visitor numbers. During 2021 we maintained (with colleagues in the Lake District National Park Partnership and local parishes) our pressure for Natural England to be much more proactive in considering our application for the Southern Extension to the Lake District National Park.

Once guidance permitted, we restarted (cautiously) activities including meetings, events, office-working and landscape engagement. Key activities and achievements during the year included:

- **Campaigning:** Following post-Covid lockdown problems, we commissioned Keep Britain Tidy research on littering to inform on why people littered and how we could influence changing behaviour.
- **Planning and Protection:** Ongoing work to challenge potentially harmful developments in a number of landscapes including Ullswater, Threlkeld, Portinscale, Windermere, Grasmere, Hawkshead, Coniston and Seathwaite. Particular concerns were car park proposals where there were negative impacts on the landscape and (in some cases) undermined efforts to move towards more sustainable travel options.
- **Work on our land:** We continued to manage 1500 acres of Cumbrian countryside, for everyone to enjoy. We work to enhance its landscape, increase biodiversity, build climate-change resilience and to increase rural skills such as dry-stone walling and hedge-laying.
- **Dark Skies project:** This project is led by us, as part of our work within the National Park Partnership. It has raised awareness with more than 500 attending online roadshows and talks. The Dark Skies compliant and wildlife-friendly road lighting pilot projects are established in seven Cumbrian communities. This has been in partnership with: Cumbria County Council; Thorn Lighting UK; and with parish and town councils. Sky Quality Meter Readings have been taken in 120 new locations.
- **Great Cumbria Litter Pick:** More than 500 bags of rubbish collected over 2 days, by dozens of volunteers covering 194 miles on 75 litter picks.
- **Climate Change:** we sent representatives to the COP-26 Climate Conference in Glasgow, raising awareness about rural area problems and learning more about nature-based solutions. It is clear this will be a growing part of the Friends' work especially given likely changes for protected areas and land management.

Our income generation activities continued, although in-person events were much reduced and the Morecambe Bay walk cancelled. We were delighted to receive significant legacy income during the year, more than £1 million. We had a very large legacy from Mr John Berry. In addition we received over £120,000 in donations. The generosity of our members continues to amaze and inspire us, we will ensure all funds donated will be put to very good use.

Our external communications have increased, with larger profiles on social media and through online webinars and workshops by our very successful Westmorland Dales and Dark Skies projects. The fortnightly 'Postcard from the Lakes' has reached new viewers and existing readers alike and provides an excellent means for many to connect and share.

The Board of Trustees (with three co-opted trustees) continues to oversee the work of the organisation and we welcomed the return to face-to-face meetings in June. Although the Annual General Meeting was held remotely, this was well attended and meant new people could attend. We sadly said farewell and thanks to our President – John Entwistle OBE. We also thanked John Campbell, our outgoing Chair, for all his work for Friends, and were delighted when he agreed to become Vice President. We have appreciated the ongoing support and counsel of Sir Martin Holdgate, our Emeritus President.

Our work would not have been possible without the great efforts and commitment of our staff, led by Douglas Chalmers, and for which we are very grateful. Our work and success is underpinned by a huge team of volunteers, including the Trustees, and we owe a huge debt of thanks to them all.

The staff team at Friends of the Lake District changed towards the end of 2021, and we have welcomed new faces in the office and on our screens. As we move further into 2022, we are anticipating yet more changes with the addition of new colleagues and the departure of our Chief Executive. Douglas has made a huge difference to Friends of the Lake District and he will be very much missed. I very much hope he will enjoy greater time on his farm and the activities they pursue there, as well as (hopefully) having more time with his family.

Judith Cooke, Chair of Trustees

Annual Review 2021

2021 Highlights - A Review of our year

Friends of the Lake District has an enviable record of achievement in protecting and enhancing the landscapes of Cumbria and the Lake District. The threats that face our landscapes are increasing, and can be environmental, economic, political, social or climatic.

Through our Business Plan we set targets each year and work under three aims:

1. **Protect your Lake District** – conserving and enhancing local distinctiveness and landscape character for the enjoyment and benefit of everyone.
2. **Engage and Inspire** – encouraging people to enjoy, reconnect with and value the landscape and actively engage in work on the ground to enhance the countryside and maintain traditional rural skills.
3. **Securing our organisation for Cumbria's landscapes** – strengthening and consolidating our influence as a campaigning organisation through membership, staff resource and funding security to enable to carry out aims 1 and 2 effectively.

Protect your Lake District

We achieve this aim through work we undertake on our land, by giving out environmental improvement grants and via our project, planning and policy work.

Dark Skies Cumbria Project

Headline achievements:

- Over 3,100 attended the online festival in 2021. 777 new contacts and 20,000 extra website visits and £6.5k income raised.
- 15 roadshow presentations to 521 people, covering a diverse range of community and interest groups.
- Over 120 additional Sky Quality Meter readings taken by our volunteers.
- Generated the highest sign-up of new supporters in 2021 .
- Appeal generated over £10k, plus a project specific £1,000 legacy.
- First Big Lights Switch off took place in Ambleside in April.
- Piloted new Dark Sky compliant and wildlife friendly road and footway lighting schemes in partnership with Cumbria County Council and Thorn Lighting UK in 7 communities.
- Carlisle City Council completed an investment to save lighting replacement programme for their 1,500 road and footway lights to Dark Sky compliant lighting.
- Commented on approximately 8 development proposals per month with light pollution implications covering the whole range of developments across Cumbria.



Holme Wood Walk, image John Macfarlane

Westmorland Dales Landscape Partnership Scheme

Project delivered by the Westmorland Dales team, employed by Friends of the Lake District, and the wider partnership including the Yorkshire Dales National Park Authority (the accountable body), Cumbria GeoConservation, Cumbria Wildlife Trust, Eden Rivers Trust, the Farmer Network, the Woodland Trust and others.



Sheepfolds and walls, Westmorland Dales

Headline achievements:

- 14 geological factsheets, 3 geotrail leaflets and 10 earth-caches developed as part of the geology project
- 4.8ha meadows and 4.9ha riverine habitat restored, 1300 trees planted and 23 landowners engaged as part of our natural heritage conservation projects
- Completion of the Great Asby Scar archaeological survey by volunteers, identifying 1,218 new sites to add to the Historic Environment Record
- Completion of season one of the Little Asby Through the Keyhole project by volunteers, including 15 keyhole excavations
- Continuation of the Traditional Farm Building Survey by volunteers and the completion of feasibility work to identify priority farm buildings for conservation in 2022
- The award of four grants worth £13,160 to community groups for heritage projects within the area, including the access for all film “Get Outside in the Westmorland Dales”
- The successful completion of the first group of four countryside worker apprenticeships in February, the commencement of the next group of four in August, and the cultural heritage trainee in November.
- The publication of four self-guided walks leaflets as part of YDNPA’s Discovering the Westmorland Dales projects
- 15 webinars and online conference held, with 878 people attending live and recordings watched by 1,681 people to date
- 62 other events held or attended, engaging 491 children and 822 adults, including working with schools, local groups and farmers, guided walks and art activities
- 308 volunteer days completed, valued at £44,575 as in-kind match funding towards the scheme over and above the cash match funding

Transport

- We were co-opted onto the new LDNP Partnership Transport Group which is looking to push forward with the actions in the LDNPA Management Plan.
- We got the go-ahead to put together a proposal for further transport research working with Lorraine Smyth of ACT and Emma Moody of LDNPA to scope the research.
- Responded in detail to the Cumbria Transport Infrastructure Plan (CTIP)
- Liaised with Zero Carbon Cumbria (ZCC) to push them to make a statement about the high carbon proposals in the CTIP. Now sitting on the ZCC transport working group looking at solutions to decarbonise transport in Cumbria.
- Worked with the Copeland People’s Panel on Climate Change to look at sustainable transport issues.

- We responded in detail to the A66 consultation. We identified issues that needed querying including no photomontages showing what the proposed road will look like, the fact that it extends into the North Pennines AONB, an extremely short consultation period, very poorly presented consultation information, and nothing about the cumulative carbon emissions from the road.

Geological Disposal of Nuclear Waste

We responded to the threat of constructing Geological Disposal Facility (GDF) Infrastructure in or under the Lake District National Park.

- Attended Radioactive Waste Management (RWM) Exchange meetings in order to try and influence the way Working Groups and Community Partnerships are set up.
- Worked with the Allerdale Working Group in sub groups around selecting an “area of search” and working with communities.
- Worked with the Solway Coast AONB Director and Partnership to lobby the Allerdale Working Group and Allerdale Borough Council to ensure that the AONB was excluded from the area of search
- Liaised with David Savage from the Southern Boundary Partnership who is now a member of the South Copeland Community Partnership (SCCP).

Litter

The Keep Britain Tidy research into littering in the Lake District - funded by Friends of the Lake District - reported in June 2021. We have circulated the report to the Lake District’s Tactical Visitor Management Group who have used some of the findings to target their messaging to visitors. We hope to work further with the Lake District National Park Authority in using the research results to develop an anti-litter strategy.

Climate Change

- Engaged with Zero Carbon Cumbria and the LDNPP Climate Change working group
- LDNPP climate change meetings attended and work to help shape the Climate Change section of the LDNP Management Plan.
- Started attending ZCC meetings early in 2021. We now have a place on both the Energy and Transport subgroups of ZCC.

Water, Agriculture and Common Land

Influenced plans and proposals to ensure that the sustainable use and management of water is properly considered

- Attendance at Catchment Management Group meetings and site visits to see Natural Flood Management Interventions in Whinlatter, Lorton and Glenderamackin area.
- Commented on Water Resources West: Environmental Destination consultation
- Responded to United Utilities Drought Plan

Conducted research, with partners, into adapting landscapes to withstand future flood and drought events (includes work on our properties)

- | | |
|--|--|
| • Regular photos taken by volunteers | • Press release issued about final report |
| • Final report written up by University of Cumbria | • <i>Conserving Lakeland</i> article on final report |

Raised the profile of the uplands, hill farming and the need to minimise landscape harm and lobbied, in partnership with other organisations, to increase our voice when advocating on upland farmers' behalf

- Fed into LDNPA Post CAP working group and Management Plan paper on agriculture.
- Consultation responses on Defra proposals for lump sum exit payment for farmers, delinking the Basic Payment Scheme
- Consultation response on Sustainable Farming Incentive options
- Input into Cumbria Local Nature Recovery Strategy
- Commented on CNP peat policy

Helped to highlight the risk to our cultural heritage and landscapes without adequate support for land management in the future

- Input into consultation responses on Sustainable Farming Incentive, Local Nature Recovery Strategy

Supported and advised commoners and upland farmers (including working in partnerships).

- Commented on proposals for Langstrath and Coombe Fells Commons, Crosby Ravensworth Common and various pieces of common land in Kendal.
- Submitted responses to consultation 'Sustainable Farming Incentive on common land'.

Participation in Common Cause project

- Joint Chair of Lake District Area group.
- Area Group meetings held
- Bi monthly meetings with Area Project Officer

Participation in LDNPP post-CAP Group

Attended meetings and fed into development of Management Plan paper including agriculture, nature and climate change.

Further extensions to the Lake District National Park

We continued our work calling for further extensions to the Lake District National Park, by maintaining contact with the Parish Council Coordination Group and calling on Natural England to clarify their next steps. They will create a visionary map, reflecting the spirit of the Hobhouse Agreement. We will be included in this assessment which will work with others, including communities, and which will identify nature conservation and enhancement needs including any remaining places suitable for future National Park or AONB designation, and our application will be part of this.

Landscape Grants

We awarded five Landscape Grants totalling £4750 and re-profiled previous grants which were delayed in delivery due to Covid. Grants awarded in Bewcastle, Ambleside, Broughton, Egremont, Langdale and Sedbergh.

Overhead Wires

In 2021 a total of 4.92kms of overhead wires were removed. There were three undergrounding schemes in the Lake District National Park (at Bootle station, Mungrisdale and Pooley Bridge amounting to 1.47kms of line removed) and two undergrounding schemes in the North Pennines AONB (at RSPB Tindale Tarn and Swindalehead near Brough totalling 3.45kms of line removed). This was above the annual target of 4kms and was particularly pleasing as Covid continued to impact on work.



Undergrounding work at Mungrisdale

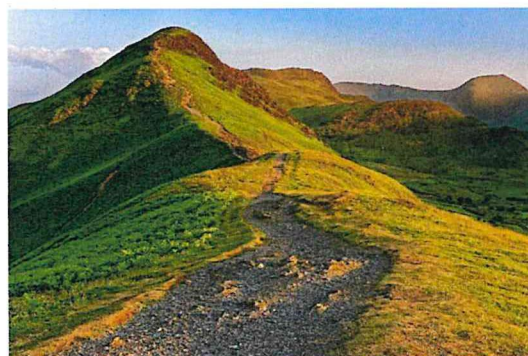
Planning

We responded to 57 planning applications out of a total of 7420 valid applications received by the Cumbrian Planning Authorities. This works out at 0.8% with an objection rate of 0.6% (see table). As you might expect, those we responded to were predominantly within the Lake District National Park.

Key successes

Ullock Moss and 3 other car parks

(Waterfoot, Ullswater; Lands Field, Coniston; Swan Hotel, Grasmere). These decisions collectively represent a crucial point in the ongoing discourse around transport in the LDNP. The engagement, support and joint working we had from local people, visitors and other organisations on Ullock Moss in particular was very encouraging.



Ullock Moss near Catbells

Scotby

We submitted further information to the appeal which was held and dismissed in 2021. We worked closely with the community and a local Councillor on this and the result was particularly pleasing as landscape/visual amenity was a key factor, with the Inspector referring almost verbatim to wording in our response, and significantly the applicant was one of the UK's largest land agent companies – Gladman.

'Success rate' for applications that we objected to or commented on in 2021 and on which there has been an outcome:

Approved with our concerns outstanding	Approved but with changes we suggested	Refused	Withdrawn	Appealed - approved	Appealed - dismissed	Not yet decided but recommended for refusal
4	10	13	9	0	2	0

Local Planning Authority (LPA)	Total applications submitted	No. responded to by FLD in 2021 (%)*	No. objected to by FLD in 2021 (%)*	Dark skies only**
LDNPA	1460	32 (2.2)	27 (1.8)	1
Allerdale	748	3 (0.4)	3 (0.4)	0
Cumbria CC	30	1 (3)	0	1
Eden	1090	4 (0.4)	4 (0.4)	0
Barrow	553	0	0	0
Carlisle	1413	6 (0.4)	5 (0.4)	1
SLDC	1324	8 (0.6)	2 (0.6)	7
YDNP	237 (Cumbria area only)	2 (0.8)	0	1
Copeland	565	1 (0.2)	1 (0.2)	0
Total	7420	57 (0.8)	42 (0.6)	11

*some figures not yet available as not yet heard back from the relevant LPAs

**Applications where we made comments/objected on light pollution/dark skies grounds ONLY and no other issues. Responses to other applications also often include dark skies points. SLDC higher than others as one of the study/pilot areas.

Train and Inspire

We run events and practical activities, getting people directly involved in the landscape through conservation work parties and rural skills training.

The Great Cumbrian Litter Pick

Our litter pick event went ahead in May with 75 separate litter picks taking place across the county. A distance of 311 km was covered by 780 litter pick volunteers and 509 bags of rubbish were collected. Whilst inspiring to see so many people giving up their free time, it was dispiriting to come across huge piles of rubbish left behind by people in a year when visitor numbers continued to soar as a result of more 'staycations'.

Fight the Aliens – Big Balsam Bash

In July we worked to deliver this event around Rydal in partnership with South Cumbria Rivers Trust.

After 2022's Fight the Aliens Day it is likely a mass volunteering effort will no longer be needed and instead will be handed over to several dedicated 'Balsam Bailiffs'

Getting stuck in - Volunteer Balsam Bashers



Fell Care Days 2021

We were able to run a Fell Care Day in November in the Haweswater area. Though we kept numbers lower than usual, the volunteers and task leaders achieved great things:

- 50 volunteers, task leaders and Friends of the Lake District staff
- 3 metres of dry stone wall rebuilt at Orton
- 150 Juniper saplings planted
- 10km of upland trails (bridleways and footpaths) maintained
- 1000 tree guards removed from woodland in Orton

Success for Fell Care Day tree-planters



Leaders' Landscape Training (LLT)

We delivered eight LLT sessions in 2021, raising awareness of Cumbria's landscapes their conservation and management and challenges land managers face. The sessions covered a diverse range of topics including geology, night navigation, farming, beaver projects, upland management, tranquillity, rainforests and the work of Fix the Fells.

Property Maintenance

- Current property assets reviewed against why we own and manage land, and forward plans agreed
- Transfer of land at Sweden Wood, Ambleside, Dam Mire Wood at Threlkeld and start of the process of transfer for Middle Bleansley, Broughton in Furness.
- We began a review of Management Plans and draft plans written for Dam Mire Wood, Greenbank Wood and Sweden Wood.

Work Parties

- 24 work parties held
- Final report on High Borrowdale matting research published
- Funding secured from Farming in Protected Landscapes Scheme to put in 420m new hedge and 6000 upland hay meadow plug plants at High Borrowdale

2021 Annual General Meeting

The 2021 AGM was held as an online event, via Zoom. Thirty members attended. We conducted all the usual AGM business including voting (by screen show of hands), a Q&A session, and a review of our year's achievements by the Chairman and Chief Executive. We thanked John Entwistle, who retired as President. We also thanked our outgoing Chairman John Campbell, but quickly welcomed him back as Vice President.

Securing our organisation for Cumbria's landscapes

Ensuring that our charity is well run and monitoring our fundraising, membership and volunteering activities. Our achievements in 2021:

Volunteers

Our brilliant volunteers gave us 1395 hours of their time, equivalent to £9,964 in value.

Volunteers helped us on conservation work parties, events, research, in our office, and not forgetting our Board of Trustees.

Legacies

We continue to be extremely grateful to all members who choose to leave us gifts in their Will. In 2021 we received £1,036,821 in legacies from supporters who wished to protect the landscapes of the Lake District for future generations. Without these gifts, we simply couldn't achieve what we do. Thank you to everyone who chooses to remember us in this special way.

Merchandise

Our annual photo competition returned in 2021. The ever-popular contest attracted over 600 entries. Winning images featured in our 2021 Christmas card collection and 2022 calendar. Along with Christmas cards and calendars, sales of our notecards, tea towels, landscape gifts and art prints raised over £36,000 in income.

April Calendar image,
Wastwater by Trevor Davis

Fundraising

Members and supporters gave generously to our appeals in 2021. Our Dark Skies Appeal raised over £10,000 helping us launch a ground-breaking initiative to tackle light pollution in the Lake District. In June, over £19,000 was raised to support our campaign for sustainable transport options in the National Park. Our Nature in Need appeal to repair over 30 acres of critical habitat at High Borrowdale and Rusland raised £18,000.



Communications

We responded to 127 media enquiries in 2021. We issued 40 press releases including those promoting the Westmorland Dales project. We received 88,000 unique visits to our website. We increased growth of our following on Twitter to 14,200, Facebook to 9,744 and Instagram followers rising to 2,616. We published three Conserving Lakeland magazines and 24 'Postcards from the Lakes'.

Membership

Membership numbers remained stable in 2021 ending the year with 6435 members. Our members play a vital role in the work of Friends of the Lake District, and their regular donations and subscriptions provide long-term stability to ensure our future. We are committed to increasing our membership numbers and growing this core element of vital financial support.

STATEMENT OF TRUSTEES' RESPONSIBILITIES AND CORPORATE GOVERNANCE

The Trustees are responsible for preparing their Annual Report and the financial statements in accordance with applicable law and regulations. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2015).

Under company law the directors 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 charity and of the net income and expenditure of the charity for that period. In preparing these financial statements, the Trustees are required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and accounting estimates that are reasonable and prudent; and
- (iii) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the corporate and financial information published on the charity's website.

The ongoing COVID 19 pandemic throughout 2021 meant the Executive continued with on-line Meetings via Zoom in the first half of the year, and returned to face to face meetings from June onwards (where permitted). Given the uncertainties of larger-scale in-person meetings, the 2021 Annual General Meeting in early July was held remotely via Zoom and was well attended. We conducted all the usual AGM business, including election of Trustees, reporting our 2020 achievements and 2020 Annual Report and Accounts.

Rolling agenda items include consideration of the financial status and sustainability of the organisation and regular reviews of risk management which includes financial systems and audit procedures. We also covered regular monitoring of COVID issues and additional reviews of the budget. Specifically, the Executive Board:

- maintains oversight of the development of an annual budget in line with the requirements of the proposed Business Plan;
- ensures appropriate financial systems and controls are in place, that there is effective management and monitoring of the Friends of the Lake District's finances, financial control systems and procedures, assets including properties, and all other matters relevant to the financial affairs of Friends of the Lake District in order to achieve the charitable Objects and the legal obligations of the organisation;
- ensures proper arrangements are in place to secure effective audit of the Friends of the Lake District.

The Trustees understand there is no relevant audit information of which the company's auditors are unaware. The Trustees have each taken all the steps that Company's Directors need to take in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. During 2018 General Data Protection Regulation (GDPR) was introduced and in 2021 we reviewed our policies and procedures to meet these regulations. There has been one request for personal data erasure, which was carried out within the time-frame specified. There have been no fundraising, or other complaints. We continue to operate within the guidelines set out by the Fundraising Regulator. We take great care and caution with our fundraising

practices to ensure protection of vulnerable people and other members of the public, and keep all direct fundraising in-house. We have not employed any external professional fundraiser or commercial participator. Our Fundraising Manager has monitored and maintained an overview of all fundraising activities carried out by individuals within the organisation, and by the organisation as a whole, which is overseen by the Chief Executive and the Board of Trustees.

The Trustees are aware of no incidents of non-compliance with other regulatory policies and internal policies, and we have complied with all previous and current fundraising requirements. In line with Charity Commission recommendations, we are happy to report no serious incidents have come to our attention in 2021. In addition, the Trustees are confident that during the year since the AGM in July 2021, the Charity has complied with its Articles of Association, charity law requirements and other applicable laws. In 2017, new legislation was introduced requiring all companies to identify and register any Persons of Significant Control. This was reviewed by the Executive in 2017, and subsequently on an annual basis most recently March 2022, and there was no one identified as being a person of significant control.

Structure, governance and management

The Charity is a membership organisation governed by its Articles of Association dated 16th June 2003, updated and approved at the AGM in May 2014, and was incorporated as a company limited by guarantee on 27th August 2003. The previous, unincorporated, charity of the same name was founded in 1934.

GOVERNING BODY

The Board, whose members carry the responsibilities of directors with trustee responsibilities, is the main governing body of the Charitable Company. Trustees are elected by the members at the AGM in accordance with the Articles of Association which provides for a minimum of four and a maximum of eighteen members on the Board.

New Trustees are supported in the induction process by the Chair of the Board and Company Secretary, and are usually elected after a period of co-option. This induction process includes sessions with the staff and an introduction to the Charity. Newly inducted Trustees reported high levels of satisfaction with the induction programme.

Trustees agree a Code of Governance which is reviewed and adopted after each AGM. In compliance with the Code of Governance, a self-assessment of effectiveness and efficiency was conducted during the period, and the findings will be incorporated into revised Executive working practices in 2022 and a wider whole-team review of organisational priorities. Taking notice of the ongoing nature of the COVID pandemic and changing levels of infection rates, the use of remote Executive meetings will be maintained for some Executive meetings, as required, although we aim to conduct as many face-to-face as possible.

Strategy and governance functions of the Executive are monitored as part of the Executive meetings, with regular agenda items that include: the strategic direction of the organisation; proper arrangements relating to effective governance of the Friends of the Lake District; risk management; the nomination of candidates for appointment as Trustees; and that appropriate systems exist for the induction and training of Trustees.

ORGANISATIONAL MANAGEMENT

2021 has seen greater staffing changes than the previous year: we said farewell to six staff members: Claire Wickham; Ruth Kirk; Catriona James, Andrew Tait, Janine Bickerstaff and Jodie Lucas-Jones. In early 2022 we also said 'goodbye' to Marianne Kitchen. We welcomed four new staff at the end of the year: Stuart Clayton (new post of Head of Finance and Operations), Kay

Andrews (Landscape Engagement Officer), Ellie Morton (Membership Officer), and Laura Partington (Policy Officer). As of early 2022, we are in the process of further recruitment for finance and administration roles. In addition, our Chief Executive Douglas Chalmers will sadly be leaving us in July 2022, which will mean a significant change, as well as opportunity, for the Organisation.

Objects, Vision and Mission

Friends of the Lake District has the following **Objects**:

- to promote and organise concerted action for the protection and conservation of the Landscape and natural beauty of the Lake District and the County of Cumbria as a whole.
- to co-operate with other bodies having similar objectives or interests.

A new three year Strategic Direction 2021-2023 was adopted at the start of 2021 which aims to fulfil the objects of the charity through:

Our **vision**: to secure a *LANDSCAPE* that is:

*Beautiful, diverse, locally distinctive, tranquil and environmentally healthy.
Conserved and enhanced;
Accessible and enjoyed by all*

Our **Mission**: to ensure that *PEOPLE*:

*Are inspired by the beauty and diversity of the landscape;
Have an understanding of how the landscape has been shaped;
Care for and help look after the landscape, both for its own sake and for the benefits it brings to people's lives*

Our **Principles**

The special qualities and distinctiveness of Cumbria's landscapes should be conserved and enhanced.

Land use change should be sustainable, be sympathetic to the local landscape character and deliver positive long-term social, economic, cultural and biodiversity benefits. Where there is conflict between land use change and the landscape, then precedence should be given to the landscape.

Quiet enjoyment of the countryside is fundamental to people's physical and spiritual well-being and should be accessible to all.

Public understanding of the special qualities of the landscape and the value of its sustainable management should be encouraged.

2021-23 Strategic Direction

Our Strategic Direction has 4 key Strategic Aims which provide a framework for our work in the period 2021-2023:

- Protecting and enhancing the landscapes of the Lake District and Cumbria
- Promoting thriving, sustainable communities
- Inspiring and Empowering
- Securing our Future

To deliver our vision and to address the key challenges in the period, we will prioritise our activities and resources on the following four Aims and eight Objectives:

Aim 1: Protecting and enhancing the landscapes of the Lake District and Cumbria

- 1.1 We want legislation, plans and policies which better protect and enhance our landscapes and all its inhabitants
- 1.2 We want a living, working, biodiverse and culturally rich landscape
- 1.3 We want sustainably-managed upland landscapes

Aim 2 - Promoting thriving, sustainable communities

- 2.1 We want to support thriving communities and protect cultural heritage

Aim 3 - Inspiring and Empowering

- 3.1 We want an increasingly diverse range of people to be inspired by, value and understand our landscapes
- 3.2 We will use our land to showcase best practice land management and to engage, inspire and educate people of all ages and backgrounds on the value of landscapes

Strategic Aim 4 - Securing our Future

- 4.1 We will have a financial strategy that ensures our goals are funded and that we are resilient into the future
- 4.2 We will further develop the positive culture within the organisation and its engagement with others

The structure of our new Strategic Direction has been aligned to our Landscape Charter, launched in 2017, and can be found on our webpage <https://friendsofthelakedistrict.org.uk/our-purpose>.

Cooperation with other organisations

Throughout the year we have continued to work in co-operation with other bodies with similar aims and objectives to our own. These include the Campaign for National Parks, the Campaign to Protect Rural England [since 1978 the charity has represented CPRE in Cumbria], the National Trust, the Lake District National Park Authority, and the Yorkshire Dales National Park Authority, who work closely with us in The Westmorland Dales Landscape Partnership Scheme. We are also members of the Lake District National Park Partnership, leading on the Dark Skies and Landscape Character Assessment projects. In addition, we are represented on a number of local groups. Friends of the Lake District is a member of the Fix the Fells project Board and other organisations we have more direct involvement with include: Foundation for Common Land, and Cumbria Local Nature Partnership.

STATEMENT OF PUBLIC BENEFIT

The Trustees have had regard to Charity Commission guidance in preparing this statement of public benefit. The protection and enhancement of the landscape of Cumbria and the Lake District is recognised as a charitable purpose and is regarded as producing a public good. Friends of the Lake District exists to promote and organise concerted action for the protection and conservation of the landscape and natural beauty of the Lake District and the County of Cumbria as a whole and therefore provide a clear public benefit. Examples of our charitable activities for public benefit include: our campaigning work to extend the National Park boundaries to widen the landscape benefits to the public and increase protection of a greater areas of landscape; and our Fell Care Days and the Great Cumbria Litter Pick that improve and enhance the landscape of the Lake District and Cumbria.

Financial review

Generous individual giving in 2021 meant that over 70% of our income was in the form of memberships, donations and legacy giving. The substantial amount of legacy income in 2021 has been remarkable and humbling, including a significant legacy from Mr John Berry. Our strong membership gives us a powerful lobbying and influencing mandate, and membership income is particularly vital to the charity as it provides us with a dependable income that we can plan around, so we thank you for choosing to be a member. We were kindly donated Dam Mire Wood at Threlkeld by Mr Mike Hambrey, and we formally took ownership of this land in late 2021. Our work on this land has been made possible by the donation of funds from Mr Hambrey, the Friends of Blencathra, and the previous sale of land at Halfway House, near Skelwith Bridge, in 2020.

Sadly, it was still difficult for us to hold our usual fundraising events in the summer which is why we are so grateful to everyone who supported our appeals and gave so generously to help us get through yet another challenging year. Thank you!

Our ambitions mean we will use some of our reserves for discrete projects including developing new and sustainable income streams to help us achieve our aspirations for the future.

Consolidated financial figures from the 2021 Accounts

Total income £1,595,840

- Voluntary Income – (Legacies, Donations and Subscriptions) £1,319,683
- Charitable Activities £196,126
- Trading Activities £36,827
- Investments £28,204
- Land donated £15,000

Total expenditure £901,917

- Generating Voluntary Income (Inc. Membership) £113,465
- Charitable Activities £720,471
- Trading Activities £54,992
- Investment Management Costs £12,989

Total Funds/Net Assets at 31 December 2021 Total £5,470,020

- Tangible Fixed Assets (including properties) £1,508,214
- Investments £2,594,591
- Net Current Assets £1,367,215

Funds by restriction

- Unrestricted £808,804
- Designated (including Tangible fixed assets) £4,015,214
- Restricted £125,312
- Permanent Endowment £520,690

Given ongoing concerns regarding the wider economic environment, and wishing to seek to secure a more sustainable organisation, it is important that Friends of the Lake District maintains sufficient funding to support its vital work during future financial uncertainties. As such, we are continuing to invest any surplus income in line with the following Reserves Policy:

RESERVES POLICY

The Charity needs reserves in order that:-

- it can meet the costs of new campaigns, unforeseen emergencies and/or other unexpected needs for funds, including employing temporary staff to cover long-term sick absence;
- it protects against unpredictable legacy income, in order to provide a stable and quality service to fulfil its objectives;
- it can provide working capital when funding is paid in arrears;
- it can acquire strategic land holdings, should they become available;
- it can meet contractual obligations should the charity have to close.

The Board has agreed to maintain reserves for the following purposes:

- a designated fund for working capital;
- a designated fund for contingencies –including provision to address the ongoing financial impacts of COVID-19 and inflationary pressures;
- a designated fund to support the Trustees plan to restore Friends of the Lake District to financial self-sufficiency by the beginning of 2023, whilst fulfilling the activities of the 3 year 2021-2023 Strategic Direction;
- a designated fund to allow Friends of the Lake District to make further investments in strategic land holdings in Cumbria, and developments to existing properties held for charitable purposes.

RISK MANAGEMENT

The Board maintains and regularly reviews a register of the risks facing the charity and has taken steps to ensure that policies and systems to mitigate identified risks are in place, regularly monitored and working effectively. These include:

- Employing professional staff with appropriate skills and training
- Monitoring progress regularly against the annual Business Plan
- Scrutiny of financial performance by Chief Executive and Trustees

INVESTMENT POLICY

The Articles of Association of the charitable company permit the Board wide powers of investment. The investment policy for the charity has been to maintain capital growth and take advantage of the income which it generates. This remained in place during 2021. Performance of our investments continued to be reviewed during 2021 by the Investment working group, led by Philip Cropper, and the whole Executive. In 2021 we continued our review of our Investment Strategy and Policy, including an ongoing review of ethical investments, culminating in early 2022, with a new Investment Policy. Work in this area is now being overseen by the Finance and Investment Committee, as approved by the Executive meeting in March 2022.

As a landscape charity, we are committed to ensuring our investment portfolio is one that does not contribute to global carbon emissions and takes into account any investments that might have a detrimental impact on climate change, or any factors that contribute to the damage of the landscape we aim to protect. Global investment fluctuations arising from the COVID pandemic meant that income from Investments was lower in 2021 compared to 2020. We remain cautious about the impact COVID 19 and the war in Ukraine will continue to have on investments and will monitor the situation regularly.

Endowment funds: Our Endowment funds are managed separately from the other assets of the charity by Brewin Dolphin. The two **Kirby Endowment Funds** are: 1) **Amenity Fund**, the income from which is restricted for use in our charitable activities and policy work; and 2) **General Fund**, income from which is unrestricted but used for our Environmental Improvement Grants (which became Landscape Grants Scheme in 2019) and the annual Kirby lecture. Towards the end of 2015 we were notified of a new endowment legacy – the **Margaret Taylor Memorial Fund**, the first part of this endowment income was received towards the end of 2018. The income from the Margaret Taylor Memorial fund is not restricted and is used to support our wider work.

PROPERTY ASSETS

The charity owns several properties, which are maintained by the charity in furtherance of its charitable objects. In 2016 we instigated a full review of our Property Portfolio, including revision of the Property Acquisition and Disposal Policy and introduction of a Property Working Group. Recommendations from this ongoing review will be considered on a regular basis, and will include updated property management plans and associated use to engage the public.

In 2021 we acquired a donated piece of land at Threlkeld - Dam Mire Wood, at the foot of Blencathra. This was kindly given by a member, Mr Mike Hambrey, and we have used monies donated from Friends of Blencathra to develop this as an accessible woodland, after consultation with the local community. We were also notified of bequeathed land near Broughton in Furness, (Middle Bleansley) from Mr Mark Stansfield Stephenson, in the early part of 2021 and which we formally took ownership of in early 2022. Details of all our properties can be found on our website: <https://www.friendsofthelakedistrict.org.uk/Listing/Category/our-land>

The Executive Board in 2017 agreed to adopt the change to accounting procedures relating to valuation of property assets, as offered by the transition arrangements switching from FRSE to FRS102. As such, property asset values will be set at 2012 amounts as deemed cost.

Thank you

Thank you to all our members, partners and friends near and far who have shown such committed 'friendship' to the Lake District landscapes, and to all our volunteers for their hard work. We would also like to express our deep thanks to those who have shown their enduring love for the Lakes through leaving a gift in their Will to Friends of the Lake District. If you are interested in leaving a Will legacy, please contact Vanessa Rhoden on 01539 720788 or email vanessa-rhoden@fld.org.uk

We are so grateful to everyone that has shown their love of the Lake District by leaving a gift in their will to help our work. What a wonderful way to ensure future generations can continue to enjoy the tranquillity, beauty and inspiration we have all been lucky enough to enjoy in our time in the Lake District. In 2021 the following members and supporters left a lasting legacy:

John Berry
Anthony Ernest Clarkson
Aileen Fairbanks
Francis Joseph Ashcroft
Bryan Barnett
Roger Norman Quinby
Jill Vera Austin
Winifred Mary Hirst
John Robert Twigger
Sir Christopher John Audland
Tom Harker
John Stacey
Christine Elizabeth Nuttall

Margaret Whiteley
Mark Stansfield Stephenson
Laurence John Turner Hinton
Vera Gladys Stolworthy
Jennifer Anne Hill
David Robert Porter
Gwladwyn Ashby
Judith Olwyn Todd
David John Michel Rowe
Judith Sugdon
Elsie Hewitt
Gillian Thorne
John Rigby

In addition, generous donations were made in memory of:

Aileen Fairbanks
Alan Kaye
Andrew Nicholls & Ray Revill
Ann Collard
Barbara Marion Godfrey
Barbara Thulbourn
Brian Haynes
Colin Leslie Rushton

David Rowe
Gwladwyn Ashby
John Lisle Rixon
John Stephen
John Twigger
Lord Frank Judd
Nick Parry
Patricia Kenyon

Peter Williams
Philip Critchley
Richard Evans
Richard Hugh Broad
Rosemary Buckle
Sam Pilcher
Tom Harker

And donations made in celebration of: Ashely Pugh and Emma

We would also like to thank our generous **Benefactors** for their support in 2021:

John Berry, James Brockbank and Louise Ronane, John Campbell, Richard Coates, Philip Cropper, John Entwistle OBE, Margaret Haigh, John Harris, Peter Hughes QC, John and Margaret Jackson, Brian Leigh-Bramwell, Rosamund Macfarlane, Jim and Sue Martin, Angela Monkman-Brushett, Elizabeth Reddaway, David Salter, Mr and Mrs Eric Thomas, Peter Woods & Francis Ryan

Looking ahead – our priorities in 2022

Our work continues in line with our Strategic Direction, and some of our main objectives for 2022 are:

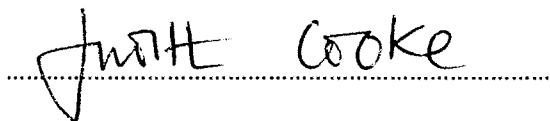
- Ensure that the Charity is fit for purpose in our post-Covid world
- Broaden our income streams to ensure our future sustainability
- Make more of our land in demonstrating and promoting our work, and increasing engagement
- Continue our work towards accessible and sustainable transport in the Lake District and Cumbria
- Initiate further campaigns in line with our Strategic Direction
- Maintain our campaign for the Southern Extensions of the Lake District National Park
- Promote the positive features in the Glover Review of Protected Landscapes.
- Develop our policy on equality, diversity and inclusion

Statement of Going Concern

In line with the Charities SORP (FRS 102) and the Charities Acts of 2006 and 2011, as a result of our evidence assessment and levels of reserves, as laid out in this Annual Report, the Trustees conclude the charity is a going concern and there are no material uncertainties relating to its going concern status. The financial statements have been prepared on a 'going concern' basis.

Approved by the Board of Trustees at the meeting on 20th May 2022 and signed on its behalf by:

Judith Cooke, Chair of Trustees

A handwritten signature in black ink, appearing to read 'Judith Cooke', is written over a horizontal dotted line.

FRIENDS OF THE LAKE DISTRICT

A Company Limited by Guarantee

Independent Auditor's Report to the Members of Friends of the Lake District

Year Ended 31 December 2021

Opinion

We have audited the financial statements of Friends of the Lake District (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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 FRS 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 charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

FRIENDS OF THE LAKE DISTRICT

A Company Limited by Guarantee

Independent Auditor's Report to the Members of Friends of the Lake District *(continued)*

Year Ended 31 December 2021

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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, which includes the Directors' Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

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.

FRIENDS OF THE LAKE DISTRICT

A Company Limited by Guarantee

Independent Auditor's Report to the Members of Friends of the Lake District

(continued)

Year Ended 31 December 2021

In preparing the financial statements, the trustees are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

The objectives of our audit in respect of fraud are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Companies Act 2006.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- We examined supporting documents for all material balances, transactions and disclosures.
- We applied analytical procedures to identify any unusual or unexpected relationships.
- We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

FRIENDS OF THE LAKE DISTRICT

A Company Limited by Guarantee

Independent Auditor's Report to the Members of Friends of the Lake District

(continued)

Year Ended 31 December 2021

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

FRIENDS OF THE LAKE DISTRICT

A Company Limited by Guarantee

Independent Auditor's Report to the Members of Friends of the Lake District

(continued)

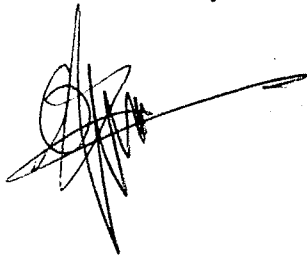
Year Ended 31 December 2021

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. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Graham W Lamont FCA, FCCA, ACIS, MCMI, AIMC, FRSA

Senior Statutory Auditor



For and on behalf of:

Lamont Pridmore

Chartered Accountants & Statutory Auditor

136 Highgate

Kendal

Cumbria

LA9 4HW

Dated: 31/5/22

Accounting Policies

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Friends of the Lake District 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 note.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Going concern

The current economic conditions as a result of the Covid-19 pandemic continue to create uncertainty over the incoming resources available for the charity's activities. The charity's forecasts and projections, taking account of reasonably possible changes in performance, show that the charity should be able to operate within its current level of reserves. With the benefit of the government support packages available to help businesses through the pandemic, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Fund accounting

General funds are unrestricted funds that are available for use by the Trustees in furtherance of the general objectives of the Charity 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 charity 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.

Endowment funds represent those assets which must be held permanently by the charity. Income arising on the endowment funds has restrictions which are described in note 14. Any capital gains or losses arising on the endowment fund investments form part of the endowment fund.

Investment income and gains are allocated to the appropriate fund.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies and bequests, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Subscriptions are accounted for on a cash basis. Income from investment is included when it becomes payable. Grant income is included when receivable, as long as any conditions attaching to the grant are within the Charity's control.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. No amounts are included in the financial statements for services donated by volunteers.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources (see note 4).

Costs of generating funds comprise the costs associated with attracting voluntary income, the costs involved with other activities for generating funds, and the costs of managing the Charity's investments.

Charitable expenditure comprises those costs incurred by the Charity in the furtherance of its charitable objects.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

Grants payable Grants payable are included once they have been approved.

Fixed assets

Fixed assets are stated at cost or valuation less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost or valuation over the anticipated useful life of the assets concerned.

The principal rates are as follows:

Freehold land	0%
Freehold property	2% straight line
Equipment	25% reducing balance
Motor vehicle	20% reducing balance

Investments

Investments are stated at market value at the balance sheet date. Market value is based on the mid-market price of quoted investments at the balance sheet date. Surpluses or deficits on revaluation and sales of investments are credited or charged in the Statement of Financial Activities.

Stocks

Stocks consist of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value.

Operating leases

Rentals applicable to operating leases are charged in the Statement of Financial Activities over the period in which the cost is incurred.

Pension costs

The Charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are charged in the Statement of Financial Activities in the year for which they are payable.

Taxation

Friends of the Lake District has charitable status and is thus potentially exempt from taxation of its income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No taxation has been charged in the accounts.

FRIENDS OF THE LAKE DISTRICT
(A Company Limited by Guarantee)

STATEMENT of FINANCIAL ACTIVITIES for the Year Ended 31 December 2021
(Including Income and Expenditure account)

	Note	General Funds Unrestricted £	General Funds Designated £	General Funds Restricted £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
Income and Endowments From:							
Donations		129,028	-	34,960	-	163,988	180,906
Legacies		1,036,821	-	-	-	1,036,821	429,328
Membership Subscriptions		118,874	-	-	-	118,874	124,826
Charitable Activities							
Grants	1	25,999	-	161,581	-	187,580	212,104
Properties		2,080	-	-	-	2,080	1,448
Event & Other Income		11	-	6,455	-	6,466	1,398
Other Trading Activities							
Sale of Merchandise		29,187	-	7,640	-	36,827	44,722
Investments							
	2	27,862	-	342	-	28,204	30,795
Other							
Land Sales	3	-	-	-	-	-	-
Land Donated		15,000	-	-	-	15,000	-
Total Income		1,384,862	-	210,978	-	1,595,840	1,025,527
Expenditure On:							
Raising Funds							
Costs of Generating Voluntary Income		113,465	-	-	-	113,465	111,715
Cost of Sale of Merchandise		54,992	-	-	-	54,992	52,160
Investment Management Costs		12,989	-	-	-	12,989	13,960
Charitable Activities							
Protect Your Lake District		232,762	-	1,214	-	233,976	272,605
Train & Inspire		288,194	-	159,651	-	447,845	387,166
Grants - Amenity and Conservation		38,650	-	-	-	38,650	17,227
Total Expenditure	4,5	741,052	-	160,865	-	901,917	854,833
Net Income/(Expenditure) before Gains/(Losses) on Investments		643,809	-	50,113	-	693,922	170,694
Other Recognised Gains/(Losses)							
Unrealised Gains/(Losses) on Investment Assets		258,557	-	-	3,878	262,435	126,698
Transfers		-	-	-	-	-	-
Net Movement in Funds		902,366	-	50,113	3,878	956,357	297,392
Reconciliation of Funds							
Fund Balances Brought Forward		157	3,921,495	75,199	516,812	4,513,663	4,216,271
Designated Funds		(93,719)	93,719	-	-	-	-
Fund Balances Carried Forward		808,804	4,015,214	125,312	520,690	5,470,020	4,513,663

All of the activities of the charity are classed as continuing.

The charity has no recognised gains or losses other than those in the Statement of Financial Activities.

There is no material difference between the reported results and the historical results of the charitable company.

The Balance Sheet, Cash Flow and Notes on pages 31 to 35 form part of these financial statements

FRIENDS OF THE LAKE DISTRICT
(A Company Limited by Guarantee)

Balance Sheet as at 31 December 2021

Registration Number: 4878364

	Note	2021 £	2020 £
Fixed Assets			
Tangible Assets	6,7	1,508,214	1,499,495
Investments at Market Value	8	<u>2,594,591</u>	<u>2,115,829</u>
		4,102,805	3,615,324
Current Assets			
Stock		3,173	863
Debtors and Accrued Income	9	214,194	351,656
Cash at Bank and in Hand		<u>1,200,570</u>	<u>607,642</u>
		1,417,937	960,161
Current Liabilities			
Creditors falling due within one year	10	<u>50,722</u>	<u>61,822</u>
Net Current Assets		1,367,215	898,339
Total Assets less Current Liabilities		5,470,020	4,513,663
Net Assets		<u>5,470,020</u>	<u>4,513,663</u>
Represented by Accumulated Funds	14		
Unrestricted funds		808,804	157
Designated funds		4,015,214	3,921,495
Restricted funds		125,312	75,199
Permanent endowment funds		520,690	516,812
		<u>5,470,020</u>	<u>4,513,663</u>

These financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

The accounts were approved by the Board and authorised for issue on 20th May 2022 and signed on their behalf by:



Judith Cooke
Chair of Trustees

FRIENDS OF THE LAKE DISTRICT
(A Company Limited by Guarantee)

Statement of Cash Flows for the Year Ended 31 December 2021

Registration Number: 4878364

	Note	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	21	<u>789,009</u>	<u>(79,494)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments	2	28,204	30,795
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(7,958)	(11,463)
Proceeds from sale of investments		-	-
Purchase of investments		<u>(216,327)</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>(196,081)</u>	<u>19,332</u>
Cash flows from financing activities:			
Repayments of borrowing		-	-
Cash inflows from new borrowing		-	-
Receipt of endowment		-	(20,000)
Net cash provided by (used in) financing activities		<u>-</u>	<u>(20,000)</u>
Change in cash and cash equivalents in the reporting period		<u>592,928</u>	<u>(80,162)</u>
Cash and cash equivalents at the beginning of the reporting period		607,642	687,804
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the reporting period	22	<u>1,200,570</u>	<u>607,642</u>

FRIENDS OF THE LAKE DISTRICT
(A Company Limited by Guarantee)

Notes to the Financial Statements
Year Ended 31 December 2021

1. Grants Receivable

	Unrestricted £	Restricted £	Totals 2021 £	Totals 2020 £
Rural Payments Agency Grants				
Properties	22,144	-	22,144	26,937
Natural England Grants				
Landscape Character Assessment	-	-	-	-
Other Grants				
Westmorland Dales Landscape Partnership Scheme	-	151,876	151,876	130,938
Dark Skies	-	500	500	1,100
Landscape Engagement	-	9,205	9,205	4,461
Coronavirus Job Retention Scheme	855	-	855	42,668
South Lakeland District Council Discretionary Grant	3,000	-	3,000	6,000
	<u>25,999</u>	<u>161,581</u>	<u>187,580</u>	<u>212,104</u>

2. Investment Income

	2021	2020
General Investments		
Brewin Dolphin General Fund	2,744	4,313
CCLA COIF Charity Fund (Accumulation)	1,838	2,134
CCLA COIF Charity Ethical Fund (Accumulation)	2,824	1,874
Canaccord G. W. Ltd (Hargreave Hale) Investment Fund	1,567	2,230
Canaccord G. W. Ltd (Hargreave Hale) Ethical Investment Fund	207	-
Interest on Short Term Deposits	86	1,364
	<u>9,266</u>	<u>11,915</u>
Permanent Endowment Funds		
Kirby & Taylor Funds		
UK Fixed Interest Bonds	1,783	6,503
Brewin Dolphin Endowment Fund	17,155	12,377
Interest on Short Term Deposits	-	-
	<u>18,938</u>	<u>18,880</u>
	<u>28,204</u>	<u>30,795</u>

3. Other Income

	2021	2020
Land Donated at Underknott, Threlkeld (Dam Mire Wood)	15,000	-
	<u>15,000</u>	<u>-</u>

4. Analysis of Total Resources Expended

	Direct Staff costs £	Support Staff costs £	Direct expenses £	Overheads £	Governance costs £	Totals 2021 £	Totals 2020 £
Basis of Allocation	Staff time	Staff time	Direct	Staff time	Staff time		
Voluntary Income Generation	50,326	25,666	20,791	11,380	5,302	113,465	111,715
Costs of Sale of Merchandise	25,163	12,833	8,655	5,690	2,651	54,992	52,160
Investment Management Costs	-	-	12,989	-	-	12,989	13,960
Protect Your Lake District	106,943	55,610	33,953	24,657	12,813	233,976	272,605
Train & Inspire	195,013	102,665	81,670	45,521	22,976	447,845	387,166
Landscape Grants	6,291	17,111	7,220	7,587	442	38,650	17,227
Totals	<u>383,735</u>	<u>213,885</u>	<u>165,278</u>	<u>94,835</u>	<u>44,184</u>	<u>901,917</u>	<u>854,833</u>

FRIENDS OF THE LAKE DISTRICT
(A Company Limited by Guarantee)

Notes to the Financial Statements
Year Ended 31 December 2021

5. Employee Information

The number of employees working in the following areas were:

Generating funds
Charitable activities
Governance
Support
Total

2021		2020	
Actual	Full Time Equivalent	Actual	Full Time Equivalent
3	2	3	2
12	9	12	9
1	1	1	1
7	6	7	6
23	18	23	18

The average monthly head count for employees was 23 (2020: 23)

Employee costs were as follows:

	£	£
Salaries	516,092	511,625
National insurance	39,997	40,332
Pension costs	72,983	76,050
	629,073	628,007

One employee received benefits in excess of £60,000 (2020: 1)

6. Tangible Fixed Assets

Deemed cost
At 1 January 2021
Additions
Disposals
Revaluations
At 31 December 2021

Freehold property	Office equipment	Motor vehicle	Total
£	£	£	£
1,494,436	87,566	18,134	1,600,136
15,000	7,958	-	22,958
-	-	-	-
-	-	-	-
1,509,436	95,524	18,134	1,623,094

Accumulated depreciation
At 1 January 2021
Charge for year
Disposals
Revaluations
At 31 December 2021

30,024	61,768	8,849	100,641
3,431	8,951	1,857	14,239
-	-	-	-
-	-	-	-
33,455	70,719	10,706	114,880

Net book value
At 31 December 2021

1,475,981	24,805	7,428	1,508,214
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Net book value
At 31 December 2020

1,464,412	25,798	9,285	1,499,495
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Details of the freehold property are given in note 7.

7. Freehold Property at deemed Cost

Used in the Operation of the Charity
Kendal Office

2021	2020
£	£

266,600	266,600
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Held for Environmental Purposes

Farmland, High Borrowdale
Common Land Grazing Rights, Ulpha, Little Asby, Roundthwaite, Whelpside
Hows Wood, Eskdale
The Helm
Common Land, Little Asby
Land at Mazonwath, Little Asby
Woodland at Staveley
Greenbank Wood
Bull Coppice & Resp Haw Woodland, Rusland
Land Underknott, Threlkeld (Dam Mire Wood)
Littlerigg, Sweden Wood, Ambleside

234,000	234,000
64,800	64,800
11,806	11,806
318,155	318,155
198,000	198,000
152,452	152,452
60,623	60,623
18,000	18,000
100,000	100,000
15,000	-
70,000	70,000
1,509,436	1,494,436

FRIENDS OF THE LAKE DISTRICT
(A Company Limited by Guarantee)

Notes to the Financial Statements
Year Ended 31 December 2021

8. Fixed Assets - Investments

	2021 Market value £	2020 Market value £
General Unrestricted Funds		
Brewin Dolphin General Fund	469,049	667,529
CCLA COIF Charity Fund (Accumulation)	369,298	314,602
CCLA COIF Charity Ethical Fund (Accumulation)	627,344	282,774
Canaccord G. W. Ltd (Hargreave Hale) Ethical Investment Fund	206,146	
Canaccord G. W. Ltd (Hargreave Hale) Investment Fund	385,959	334,334
Total	<u>2,057,796</u>	<u>1,599,239</u>
Permanent Endowment Funds		
Kirby Fund	407,754	408,119
Taylor Fund	129,041	108,471
Total	<u>536,795</u>	<u>516,590</u>
Total Fixed Asset Investments	<u>2,594,591</u>	<u>2,115,829</u>

Movement of Investments

	Brewin Dolphin 2021 General Unrestricted Funds £	CCLA 2021 General Unrestricted Funds £	CCLA Ethical 2021 General Unrestricted Funds £	Canaccord 2021 General Unrestricted Funds £	Canaccord 2021 General Unrestricted Funds £	Total 2021 General Unrestricted Funds £	Brewin Dolphin 2021 Endowment Funds £
Market value at 1 January 2021	667,529	314,602	282,774	-	334,334	1,599,239	516,590
Additions	(250,000)	-	250,000	200,000	-	200,000	16,327
Disposals at carrying value	-	-	-	-	-	-	-
Net gains/ (losses) on revaluation	51,520	54,696	94,570	6,146	51,625	258,557	3,878
Market value at 31 December 2021	<u>469,049</u>	<u>369,298</u>	<u>627,344</u>	<u>206,146</u>	<u>385,959</u>	<u>2,057,796</u>	<u>536,795</u>
Historical cost at 31 December 2021	<u>327,214</u>	<u>298,538</u>	<u>520,438</u>	<u>200,000</u>	<u>254,195</u>	<u>1,600,385</u>	<u>496,588</u>

9. Debtors and Accrued Income

	2021 £	2020 £
Accrued Legacy Income	192,563	323,427
Other Debtors	18,043	24,763
Prepayments and Accrued Income	3,589	3,466
	<u>214,194</u>	<u>351,656</u>

10. Creditors: Amounts Falling Due Within One Year

	2021 £	2020 £
Accruals and Deferred Income	25,229	23,300
Taxation and Social Security	12,026	11,696
Other Creditors	13,467	26,826
	<u>50,722</u>	<u>61,822</u>

11. Trustees

The Trustees received no remuneration.

Amounts of £636(2020: £401) were reimbursed to cover part of the travel and subsistence expenses incurred on behalf of the charity by one Trustee (2020: One Trustee).

FRIENDS OF THE LAKE DISTRICT
(A Company Limited by Guarantee)

Notes to the Financial Statements
Year Ended 31 December 2021

12. Auditors' Remuneration

	2021	2020
	£	£
Audit	6,180	6,180
	<u>6,180</u>	<u>6,180</u>

13. Legal Status of the Charity

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £1 (One Pound).

14. Movement in Funds

	At 1 January 2021 £	Surplus/ (Excess) of Expenditure over Income £	Transfers £	Other Recognised Gains and Losses £	At 31 December 2021 £
Unrestricted Funds					
Designated Funds					
Tangible Fixed Assets	1,499,495	-	8,719	-	1,508,214
Specific Designated Funds	2,422,000	-	85,000	-	2,507,000
Total Designated Funds	3,921,495	-	93,719	-	4,015,214
General Funds	157	643,809	(93,719)	258,557	808,804
Total Unrestricted Funds	3,921,652	643,809	-	258,557	4,824,018
Restricted Funds					
Fell Care Days	10,152	9,517	-	-	19,669
Wellbeing Work (Sanctuary Project)	26,753	2,472	-	-	29,225
Troutbeck Churchyard For Upkeep	1,871	-	-	-	1,871
Properties	703	1,291	-	-	1,994
Our Green Space (formerly Greens for Life)	1,668	-	-	-	1,668
Landscape Grants (WDLPS Love Your Landscape)	(5,000)	(2,470)	-	-	(7,470)
Dark Skies Project	1,100	(17,144)	-	-	(16,044)
Virtual Gifts	7,160	7,909	-	-	15,069
Sunbiggin Tarn	-	-	-	-	-
Climate Change Project	12,239	18,165	-	-	30,404
Conquer the Lakes	-	989	-	-	989
WDLPS	-	29,043	-	-	29,043
Kirby Amenity Fund	-	342	-	-	342
Championing Upland Hill Farming	15,105	-	-	-	15,105
Property Purchase - J Kent	3,448	-	-	-	3,448
Total Restricted Funds	75,199	50,113	-	-	125,312
Permanent Endowment Funds					
Kirby General Fund	354,764	-	-	2,661	357,425
Kirby Amenity Fund	45,617	-	-	342	45,959
Margaret Taylor Memorial Fund	116,431	-	-	875	117,306
Total Permanent Funds	516,812	-	-	3,878	520,690
Total Funds	<u>4,513,663</u>	<u>693,922</u>	<u>-</u>	<u>262,435</u>	<u>5,470,020</u>

Purpose of Designated Funds

The trustees continue to designate funds deployed in tangible fixed assets.

In addition to this the trustees have designated £2,507,000 (2020: £2,422,000) out of general unrestricted funds into the following funds:

Working Capital	450,000
Contingency including support through the impacts of COVID-19	832,000
2021-23 Development of Financial Sustainability	525,000
Strategic Land Acquisition/Existing Developments	700,000
	<u>2,507,000</u>

Permanent Endowment Fund

The permanent endowment fund represents the two Kirby Funds and the Margaret Taylor Memorial Fund. The capital of the Kirby & Taylor Funds is invested. The income arising from the Kirby Amenity Fund may only be used for special conservation activities and is included in restricted funds.

The income from the Kirby General and Margaret Taylor Memorial Fund is for the general purposes of the Charity.

FRIENDS OF THE LAKE DISTRICT
(A Company Limited by Guarantee)

Notes to the Financial Statements
Year ended 31 December 2021

15. Analysis of Net Assets between Funds

	Unrestricted General	Designated	Restricted	Permanent Endowment	Total 2021
	£	£	£	£	£
Tangible Fixed Assets	-	1,508,214	-	-	1,508,214
Investments	2,057,796	-	-	536,795	2,594,591
Net Current Assets	(1,248,992)	2,507,000	125,312	(16,105)	1,367,215
	<u>808,804</u>	<u>4,015,214</u>	<u>125,312</u>	<u>520,690</u>	<u>5,470,020</u>

16. Commitments

Operating leases

As at 31 December 2021, the Charity had total commitments under non-cancellable operating leases as below:

	2021 £	2020 £
Operating leases which expire:		
Within 1 to 2 years	1,152	2,304
Within 2 to 5 years and after 5 years	<u>6,817</u>	<u>8,915</u>
	<u>7,969</u>	<u>11,219</u>

17. Pension costs

Defined contribution schemes

The charity operates defined contribution pension schemes. Contributions are charged in the statement of financial activities as they accrue. The charity generally contributes 6% of pensionable salary matched by members. Most members have chosen to match the company contribution and to do so by salary sacrifice. Contribution costs for the year amounted to £72,983 (2020: £76,050).

18. Ultimate controlling party

There is no ultimate controlling party.

19. Related party disclosures

There were no connected charities or branches during the year ended 31 December 2021.

There were no material transactions with Trustees or other connected persons during the year ended 31 December 2021.

20. Contingent assets - legacy income

As at the year end, the charity had been notified of residuary legacies where the value of these estates was uncertain as the executors had not yet compiled the estate accounts and probate had not yet been granted. Therefore, no amount has been accrued in respect of these legacies which are estimated to be in excess of £320,000 (2020: £700,000)

21. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	956,357	297,392
Adjustments for:		
Donated/bequeathed land	(15,000)	(70,000)
Depreciation charges	14,239	14,355
(Gains)/losses on investments	(262,435)	(126,698)
Dividends, interest and rents from investments	(28,204)	(30,795)
Loss/(profit) on the sale of fixed assets	-	20
(Increase)/decrease in stocks	(2,310)	773
(Increase)/decrease in debtors	137,462	(166,990)
Increase/(decrease) in creditors	(11,100)	2,449
Net cash provided by (used in) operating activities	<u>789,009</u>	<u>(79,494)</u>

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	1,200,569	607,642
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
Total cash and cash equivalents	<u>1,200,569</u>	<u>607,642</u>