

LAKELAND ARTS

England & Wales · Charity number 1153001

Details

Status	Registered
Legal form	Charitable company
Company number	08162578
Registered	2013-07-22
Register	View on the Charity Commission register

Contact

Address	Abbot Hall Art Gallery Kirkland Kendal Cumbria LA9 5AL
Phone	015394888060
Email	info@lakelandarts.org.uk
Website	www.lakelandarts.org.uk

Activities

Objects: 1. The advancement of the arts, culture, heritage or science and for the conservation of the environment and heritage of Cumbria, including by: the establishment and maintenance of public art galleries and museums for the benefit of the public to include the care, management and display of the permanent collections of the trust at the Abbot Hall Art Gallery, Blackwell Arts and Crafts House, the Lakeland Museum and Windermere Jetty Museum, established by declaration of trust dated 9th August 1957 and subsequently amended by multiple deeds of variation and now known as 'The Lakeland Arts Trust' ('the Original Trust') and any other collections, groupings, displays or individual items from any other body; 2. The advancement of the education of the public by the aid, establishment, funding, or sponsorship of bursaries, scholarships or grants to any person or persons, institution, association or corporate body for the purpose of furthering the Objects of the Company; 3. Such other public charitable purposes tending to advance artistic, historical or intellectual interests in the said area which can conveniently be promoted in combination with the purpose aforesaid; and 4. Such other charitable objects as the company shall from time to time determine.

Activities: Lakeland Arts operates Abbot Hall Art Gallery, Blackwell Arts & Crafts House and the Museum of Lakeland Life and Industry in the Lake District, Windermere Jetty Museum ,

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage, Economic/community Development/employment, Recreation
- **Who:** The General Public/mankind

Geography

- Cumbria
- Lancashire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,923,451	£3,266,006	£15,657,652	80
2024-03-31	£2,807,803	£3,416,384	£15,912,912	81
2023-03-31	£2,803,654	£3,268,982	£16,639,361	75
2022-03-31	£2,743,306	£3,835,157	£16,876,207	55
2021-03-31	£3,248,213	£2,190,501	£17,867,978	70

Trustees

Name	Role	Appointed
Diane Reid	Chair	2021-05-21
Akash Karwa		2022-05-27
Andrew Black		2024-03-01
Emma Scott		2021-05-21
GARY FRANCIS RYCROFT		2021-05-21
Katharine Jane Slinn Knight		2023-11-24
Kerry Marie Howarth		2021-05-21
Maria Benjamin		2021-03-05
Timothy Leach		2023-10-07

Accounts

LAKE LOND ARTS

Company registration number: 8162578

Charity registration number: 1153001

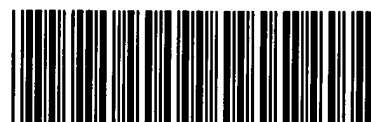
Lakeland Arts

A company limited by
guarantee

Annual Report and Financial
Statements for the Lakeland
Arts Group for the Year Ended

31 March 2025

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Lakeland Arts

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Lakeland Arts

Reference and Administrative Details

Chair	D Reid MCIOF
Trustees	A Black S A Crewe K M Howarth A J Karwa E Kentley K J S Knight T A Leach A M Lyles D Reid MCIOF G F Rycroft E J Scott M Benjamin
Secretary	A J Karwa C James (additional from October 2024)
Senior Management Team	R Harris, Chief Executive Officer (resigned July 2024) L Martins, Acting Chief Executive L Garrett Hampson, Head of Marketing and Communications C James, Head of Finance and Company Secretary (appointed October 2024) F Higgins, HR and People Manager (appointed November 2024) A Fletcher, Development Manager (appointed January 2025) R Ripley, Visitor Experience and Operations Manager (appointed March 2025)
Charity Registration Number	1153001. The charity is incorporated in England.
Company Registration Number	8162578

Lakeland Arts

Registered Office

Abbot Hall
Kirkland
Kendal
LA9 5AL

Auditor

Crossley & Davis
Chartered Accountants & Tax Advisors
Seneca House
Amy Johnson Way
Blackpool
FY4 2FF

Solicitors

Baines Wilson
Unit 3 Lancaster Business Park
10 Mannin Way
Lancaster
LA1 3SW

Bankers

Barclays Bank Plc.
9 Highgate
Kendal
LA9 4DF

Lakeland Arts

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2025, in compliance with 414C of the Companies Act 2006.

Chair's Foreword Annual Report 24-25

In 2024–25, Lakeland Arts made remarkable strides, delivering inspiring exhibitions, deepening engagement with local communities and wider audiences, and developing new commercial revenue streams that support our sustainability and growth.

This progress was achieved against a challenging national backdrop. The economic climate continues to present complex pressures for charitable organisations in the tourism and cultural sectors. Institutions like Lakeland Arts – reliant not only on philanthropic support and grant funding but also on strong visitor engagement – have navigated an environment shaped by inflation, fiscal constraints, and sector-specific challenges.

Over the past year, we have continued to experience compounded pressures, including sustained high inflation, a slowing UK economy, and significant rises in utility costs. Despite these challenges, our teams have risen to the occasion with resilience, creativity, and dedication.

2024–25 marked the second year of our three-year National Portfolio Organisation (NPO) grant agreement with Arts Council England, as part of the Cumbria Museum Consortium. We exceeded 77% of our targets this period, surpassing forecasts by 7,186 family engagements and 8,344 adult participants. This outstanding achievement reflects the dedication of our teams and the appetite of our communities to engage with arts and culture. We are delighted that Arts Council England (ACE) has extended our grant agreement to 2026–27, providing stability and confidence for the years ahead. We were equally pleased to continue our valued partnership with the Esmée Fairbairn Foundation, whose support has enabled us to deliver inclusive engagement projects with local communities, particularly through Abbot Hall in Kendal.

Building on the Art Fund's Sir Nicholas Goodison Award in 2022, Programme Curator Naomi Gariff further enriched and diversified Blackwell's contemporary craft collection with nine outstanding new acquisitions from artists including Lorna Singleton, Chris Day, Clare Malet, and Paul Scott. Significant progress was also made on the John Ellerman-funded project to audit and rationalise the social history collections of the Lakeland Museum and Lakeland Arts' storage facilities, supported by the invaluable contributions of our volunteers.

We welcomed four new members to our Senior Leadership team, whose expertise and vision are already helping drive Lakeland Arts forward. Our teams continue to deliver meaningful arts and cultural experiences for visitors and communities across Cumbria, supported by the dedication of volunteers, who play a vital role in bringing exhibitions and experiences to life. During this period, we were proud to welcome 96 volunteers to Lakeland Arts.

Families remained central to audience development at Windermere Jetty Museum, with interactive exhibitions such as *Microworld* and *Blue Space* bringing biodiversity, ecology, and Science, Technology, Engineering and Mathematics (STEM) themes to life. Event highlights included the fourth Windermere Science Festival and the first inaugural Festival of the Lake, which celebrated local stories and community spirit. Our Boat Conservation team had a successful year, recommissioning steam launches *Osprey* and *Lady Elizabeth*, both now back on the water, as part of our working collection, for visitors to enjoy.

Lakeland Arts

At Abbot Hall, an ambitious programme of exhibitions explored themes of ecology, identity, and landscape. Highlights included the first major retrospective of Gilbert Spencer in over fifty years, a thought-provoking exhibition of Claude Cahun's photography, and Charmaine Watkiss' largest institutional solo show to date. We also celebrated the reopening of the refurbished Ecology Gallery alongside Johannes Pretorius' *Intervention and Renewal*, developed in partnership with young activists from Queen Katherine School. Together, these exhibitions reflect Abbot Hall's commitment to presenting outstanding art while fostering creativity, dialogue, and community engagement.

At Blackwell, the year began with the continuation of *Sublime Symmetry: William De Morgan*, which attracted audiences from across the UK. This was followed by a solo show of contemporary works by British-Nigerian sculptor Lawson Oyekan – his first in a UK public institution in almost two decades. 2024 also saw the return of Blackwell's Autumn Craft Fair, celebrating the work of local makers and artisans.

Our Participation and Learning team expanded workshops for schools and families, while engagement programmes strengthened connections with communities and partners. Lakeland Arts played a leading role in major regional festivals and events, including Windermere Science Festival, Knotted Project's Forge Festival, Kendal Pride, Lake District Music Festival, Kendal Mountain Festival, and the Lakes International Comic Arts Festival.

Strong partnerships remain central to our work. Collaborations with Kendal Town Council, Westmorland and Furness Council, Lancaster University, and numerous community organisations; including Strickland Gate House, Anti-Racist Cumbria, and Queer Cumbria, enabled us to deliver initiatives that enhanced cultural participation and community impact.

Windermere Jetty Museum also grew as a venue for filming and private hire, generating vital income and attracting new audiences through projects such as *BBC Breakfast* and Channel 4's *Four in a Bed*.

Looking ahead, Lakeland Arts moves forward with confidence, grounded in strong partnerships, creative ambition, and an unwavering commitment to making culture accessible, engaging, and meaningful for all.

Diane Reid

Chair and Trustee, Lakeland Arts

Lakeland Arts

Financial Review

In 2024-25 total income for the Group was £2.92m, compared with £2.81m in the previous year. Of this, £2.72m was unrestricted income and £199k restricted income. The increase in overall income reflects improved trading performance, offset by continuing challenges in the visitor economy and difficult operating conditions across the wider cultural sector.

Fundraising performance was consistent with expectations for the first year of the new strategy, with a continued emphasis on project-based restricted income. Membership income remained stable at just over £71k (2024 - £70k), supporting the core charitable programme.

Total expenditure for the year was £3.27m, compared with £3.42m in 2023-24. The organisation continued to experience pressure from inflation, energy costs, and the resource demands of operating three museums, though these were mitigated by cost-control measures and efficiencies implemented during the year. Depreciation charges remained a significant component of overall expenditure, reflecting the scale and nature of Lakeland Arts' estate.

The resulting net expenditure for the year was £338k, an improvement of approximately £220k on the previous year's deficit. This improved position was assisted by stronger commercial performance and reduced reliance on agency and consultancy support, although further work remains to restore financial sustainability. The defined benefit pension scheme moved from a nil surplus/deficit position at the start of the year to a surplus of £83k, reflecting more favourable market conditions.

Lakeland Arts Enterprises Ltd, the charity's wholly owned trading subsidiary, delivered a surplus of £162k (2024 - £121k). A Gift Aid donation was made to the parent charity of £161k, with the surplus retained to restore the subsidiary's reserves following prior year losses. Earned income from catering, retail, admissions and commercial activities continues to play a central role in supporting the charity's operations, with particular strengths in events and hospitality at Windermere Jetty Museum.

At 31 March 2025, total funds stood at £15.65m, of which unrestricted funds reported a deficit of £510k. The trustees remain committed to improving the unrestricted position over the coming years, supported by the new fundraising strategy, a more focused approach to commercial development, and the continued delivery of operational efficiencies.

Reserves Policy

The board updated its reserves policy during the year and now aspires to hold free reserves equivalent to three months of unrestricted charitable expenditure. This target was not achieved in 2024-25. The organisation continues to operate with limited free reserves, reflecting the financial pressures of recent years and the structural challenges of running a multi-site cultural charity. Strengthening unrestricted reserves remains a strategic priority.

Principal Funding Sources

Lakeland Arts' core operations are funded through a blend of earned income, Arts Council England NPO funding, trusts and foundations, investment income, membership, donations and Gift Aid. The Group continues to benefit from multi-year grants, including support from the Esmée Fairbairn Foundation, and strong relationships with local authorities and funding partners.

Lakeland Arts

Investment Policy and Performance

The charity's investment portfolio is managed by Sarasin & Partners in accordance with the trustees' investment policy, which aims to deliver balanced returns from a broad range of medium-risk investments. Investment performance for the year reflected broader market movements, with unrealised gains of £4k contributing positively to the fund balances.

Principal Risks and Uncertainties

Major risks

All significant activities undertaken by Lakeland Arts are subject to a comprehensive risk review as part of the project assessment and implementation process. Major risks are identified and ranked based on their potential impact and likelihood. For this purpose, major risks are defined as those that could significantly affect:

- operational performance, including risks to staff, volunteers, and visitors
- achievement of strategic aims and objectives
- fulfilment of expectations among beneficiaries, supporters, and stakeholders.

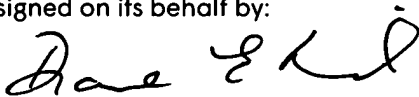
The trustees conduct ongoing reviews of these risks and ensure that robust systems and procedures are in place to manage them effectively. If appropriate, risks are mitigated through insurance cover. The organisation employs the following framework to ensure a thorough approach to risk management:

- regular monitoring of major risks and the development of disaster recovery plans
- integrating risk identification and assessment into operational procedures
- maintaining a clear structure of delegated authority and control; and
- seeking to preserve financial reserves in accordance with established policies.

While acknowledging that some initiatives may require the acceptance and management of risk to achieve key objectives, the trustees have identified and implemented mitigation strategies for major risks under the following categories:

- governance
- operational
- financial
- environmental
- compliance.

The strategic report was approved by the trustees of the charity on 19th December 2025 and signed on its behalf by:



D Reid MCIOF

Chair and Trustee, Lakeland Arts

Lakeland Arts

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2025.

Chair

D Reid MCIOF

Trustees and Officers

A Black
S A Crewe
K M Howarth
A J Karwa
E Kentley
K J S Knight
T A Leach
A M Lyles
J Mottram PhD (resigned 15 April 2024)
D Reid MCIOF
G F Rycroft
E J Scott
M Benjamin

Secretary

A J Karwa
C James (additional from October 2024)

Senior Management Team

R Harris, Chief Executive Officer
(resigned July 2024)
L Martins, Acting Chief Executive
(appointed July 2024)
L Garrett Hampson, Head of Marketing and
Communications
C James, Head of Finance and Company Secretary
(appointed October 2024)
L Postans, HR and People Manager
(resigned April 2024)
F Higgins, HR and People Manager
(appointed November 2024)
A Fletcher, Development Manager
(appointed January 2025)
A Saczek, Head of Visitor Experience
(resigned September 2024)
R Ripley, Visitor Experience and Operations Manager
(appointed March 2025)

Lakeland Arts

Objectives and Activities

Vision

Our vision is to harness the power of culture alongside artistic creativity, breathtaking landscape and rich heritage, to transform lives and enrich communities.

We bring this vision to life through exceptional museums, diverse collections, innovative programming and a passionate and knowledgeable team, all deeply rooted in a strong sense of place. Our work is firmly embedded in the local community and has a transformative impact on the visitors and audiences we serve.

Strategic Objectives

In 2024-25 we entered the third year of delivering our mission, which is guided by four key objectives. These objectives are essential to strengthening Lakeland Arts' position as one of the most distinguished cultural and heritage organisations in the North of England.

Strategic Objective 1: Curating and Caring

We are committed to developing and caring for our collections and fostering new ideas, ensuring that people from all backgrounds, both near and far, can explore and draw inspiration from our world-class art and heritage programmes.

Strategic Objective 2: Reaching Wider

We aim to broaden our reach by becoming better known and more accessible to a diverse range of visitors. This involves clearly communicating who we are and tailoring our approach to attract and engage varied audiences.

Strategic Objective 3: Engaging and Empowering

We will cultivate a culture of care, respect and inclusion, placing people at the heart of our organisation. Our museums are spaces for storytelling, dialogue and meaningful exchange, encouraging debate and discussion.

Strategic Objective 4: Sustainable and Resilient

We are building for the future by becoming a more dynamic, financially secure, environmentally responsible and socially sustainable organisation.

Through these objectives, we continue to inspire, connect and contribute to our community while championing the unique cultural heritage of Lakeland.

Our Activities Context

The year 2024–25 marked the midway of a three-year National Portfolio funding agreement between Arts Council England (ACE) and the Cumbria Museum Consortium (CMC), which brings together Lakeland Arts, Tullie, and Wordsworth Grasmere.

In alignment with ACE's *Let's Create* strategy, our work and reporting have been guided by four key investment principles:

- Ambition & Quality – delivering programmes of the highest standard that inspire and engage.
- Dynamism – ensuring agility, resilience, and forward-looking practice.
- Environmental Responsibility – embedding sustainability in our activities and operations.

Lakeland Arts

- Inclusivity & Relevance – reaching diverse audiences and reflecting contemporary society.

This year, the organisation focused on building strong relationships with funders, stakeholders and community groups to maximise impact and ensure future sustainability. Developing these partnerships involved working directly with Kendal Town Council, Westmorland and Furness Council, Lancaster University and an active network of third-sector organisations such as Stricklandgate House, Space2Create, Lancaster Black History Group, Anti-Racist Cumbria and Queer Cumbria. Throughout these collaborations, the organisation emphasised transparent communication and joint initiatives that enhanced the collective capacity to serve the community.

Significant progress was also made in establishing a relationship with the National Lottery Heritage Fund, positioning the organisation to submit a mid-2025 funding application that aims to reimagine Abbot Hall and the Lakeland Museum site. This strategic engagement strengthens the charity's foundation, enhances future prospects and boosts organisational credibility with funders.

Our partnership with Lancaster University provided the opportunity to host two student interns, who worked closely with our curatorial team on the Abbot Hall collections research project. Their contributions included updating labels, improving the interpretation of displays and offering fresh perspectives that enriched the visitor experience.

We also collaborated with Kendal College, where art students produced responses to Kurt Schwitters' work across various media. These pieces are still displayed in the gallery, highlighting the creativity and talent of emerging local artists.

Additionally, local photographer Johannes Pretorius worked with students from Queen Katherine School in Kendal on *Agri-Culture*, a project documenting rewilding initiatives in the surrounding farming landscape. This partnership combined artistic practice with environmental awareness, highlighting the importance of sustainability in our rural region.

We also continued our ongoing partnership with Liverpool John Moores University, welcoming architecture students to take part in conservation-focused learning. This programme engages an entire year group—sometimes a combination of first- and second-year students—who visit annually. Their experience includes exploring Blackwell, The Arts & Crafts House, alongside our purpose-built, RIBA award-winning Windermere Jetty Museum. This juxtaposition provides a unique opportunity to compare one of the country's most accessible Arts & Crafts properties with contemporary architectural design, sparking rich discussion around heritage, design, and conservation.

This year, we made a series of strategic appointments to strengthen senior leadership and ensure greater organisational stability following a challenging period. Recruitment decisions were guided by professional expertise and alignment with our values, enabling us to build a resilient and skilled team.

The appointment of a Head of Finance brought extensive charity sector experience, with expertise in streamlining complex accounting systems and delivering cost efficiencies. In November, a new Human Resources Manager joined us from the NHS, further supporting organisational growth and staff wellbeing.

Lakeland Arts

Within the creative division, the conclusion of the Associate Head of Programming's contract prompted the process of recruiting a permanent successor, ensuring continuity in artistic leadership.

Key income-generation roles were also filled. A Development Manager, joined in February, bringing extensive experience in raising income for local and international charities and social enterprises. In March, a new Visitor Services & Operations Manager joined us from The Hepworth Wakefield, bringing a proven track record of monetising collections and maximising commercial revenue streams.

In 2024/25, consumer confidence continued to fluctuate amid subdued national growth forecasts and ongoing government caution regarding economic stability. This environment placed further strain on sectors such as arts and culture, where participation often depends on levels of disposable income.

Rising costs for utilities, goods, and services added to financial pressures. Combined with lower visitor numbers and reduced spending per person, these challenges created a difficult environment in which generating sufficient income to bridge funding gaps became increasingly complex.

Despite these considerable challenges, Lakeland Arts successfully delivered an exceptional programme, emphasising its dedication to providing high-quality cultural experiences.

Exhibitions

Abbot Hall

Art Herbarium, February 2024 – ongoing

Abbot Hall's *Art Herbarium* presents an immersive exploration of nature in art. Featuring works from the collection by artists including Winifred Nicholson and Percy Kelly, the exhibition offered visitors a contemplative space to consider biodiversity, wellbeing, and humanity's connection to the natural world.

Portrait Galleries, February 2024 – ongoing

Abbot Hall's ground floor *Portrait Galleries* invite visitors to engage with stories of identity, community, and lived experience through works by artists including Kurt Schwitters, Celia Paul, Hilde Goldschmidt, Lucian Freud, Charmaine Watkiss, Stanley Spencer, Joan Eardley, George Romney, and Victor Pasmore.

Kendal-based artist Lela Harris contributed two works and led workshops for local students as part of the programme. During the 2024/25 financial year, the portrait galleries were refreshed to showcase newly acquired works by local artists Russell Mills and Catherine MacDiarmid, alongside pieces by Kendal College students created in response to works on display.

Claude Cahun: Beneath This Mask, April – August 2024

Presented in partnership with Hayward Touring, this exhibition showcased 42 contemporary giclée prints of Claude Cahun's self-portraits, exploring gender, identity and surrealist aesthetics. With many original negatives lost, these prints offered a vital record of Cahun's practice and her subversion of traditional portraiture, particularly in the context of her resistance during Nazi occupation in France.

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Twelve Kendal College Performance students visited Abbot Hall several times to develop, rehearse and perform pieces in response to *Beneath This Mask*. Final pieces were performed on Friday 24 May to a small audience. The performances were captured by a group of 10 photography students, also from Kendal college. Two of the participating students led tours of the exhibition during Kendal Pride weekend.

Gilbert Spencer, April – June 2024

In partnership with Liss Llewellyn Fine Art, Abbot Hall presented the first major exhibition of Gilbert Spencer's paintings in over 50 years. Featuring preparatory studies, illustrations, and large-scale works, the show examined Spencer's role in 20th-century British modernism, the revival of landscape traditions and the resurgence of mural painting.

A special section highlighted Spencer's wartime years in Ambleside, developed in collaboration with local historians Russell Mills and Deborah Walsh.

Charmaine Watkiss: Legacy, July – December 2024

Abbot Hall hosted *Legacy*, the largest institutional solo exhibition to date by Charmaine Watkiss. Featuring new drawings and the installation *Witness* (2023), originally commissioned for Liverpool Biennial, the exhibition reflected on histories of botany, slavery, and cultural survival. Through intricately detailed drawings and sculptural forms, Watkiss invited audiences to engage with themes of memory, resilience, and healing.

Ecology Gallery, September 2024 – ongoing

The newly opened *Ecology Gallery* explored local landscapes, ecology, and human impact on the environment. Developed with contributions from young activists at Queen Katherine Secondary School, the exhibition featured works by Elisabeth Frink, John Ruskin, Bryan Kneale, and George Shaw.

The gallery also showcased an innovative zero-waste display system designed by Plaey design studio, introducing new possibilities for sustainable exhibition-making.

Johannes Pretorius: Intervention and Renewal, September – December 2024

This photographic exhibition documented regenerative farming practices in Cumbria, focusing on three generations of the Robinson family at Strickley Farm. Through Johannes Pretorius' work, the display highlighted sustainable land management, biodiversity and community resilience, situating local practice within the broader *We Feed the UK* project.

Following an inspiring visit to Strickley Farm, students from Queen Katherine School created artwork in response to regenerative farming, several pieces of which have been selected by Pretorius for inclusion in the exhibition.

Johannes Pretorius is an established photographer whose work has been supported by Arts Council England, The Gaia Foundation, and Open Eye Gallery. He was commissioned in 2024 to document the Robinson family's farming practices as part of *We Feed the UK*, a major arts initiative developed by The Gaia Foundation.

Lakeland Arts

A Delicate Tension, February – ongoing 2025

Closing the financial year, *A Delicate Tension* brought together highlights from Abbot Hall's collection, juxtaposing modern and 18th-century works. Inspired by founding director Helen Kapp's vision, the exhibition explored the dialogue between beauty, challenge and innovation across time.

Works on display included pieces by David Hockney, Paul Cézanne, Paula Rego, Kurt Schwitters, George Romney, Austin Wright, Bryan Kneale and embroidered works by Elizabeth Allen and Marjorie Kostenz.

Blackwell – The Arts & Crafts House

Sublime Symmetry: William De Morgan, February – October 2024

Continuing from the previous financial year, Blackwell presented *Sublime Symmetry: William De Morgan* until 6 October 2024. Delivered in partnership with the De Morgan Foundation, the exhibition featured 60 ceramic pieces from the De Morgan Collection, including works inspired by animals and Islamic art. The display explored the mathematical principles underpinning De Morgan's ceramics, inviting visitors to look beyond their decorative surfaces. A self-led learning guide for Key Stage 2 students, along with family activities focused on symmetry in design, supported engagement with younger audiences.

Curator and Director of the De Morgan Museum, Sarah Hardy, also delivered public talks and tours of the exhibition.

Lawson Oyekan, November 2024 – March 2025

In Autumn 2024, Blackwell hosted a major solo exhibition by British Nigerian sculptor Lawson Oyekan, his first in a UK public institution for almost two decades. The show brought together ceramic sculptures from across Oyekan's career, reflecting on human fragility and resilience. A newly commissioned film by acclaimed French photographer and director Xavier Lambours offered further insight into the artist's practice.

This exhibition was delivered in collaboration with Cross Lane Projects, Kendal, and Maison Gallery 19 Paul Fort, Paris.

Annabel Hood: New Year New Maker, January 2025

Blackwell's *New Year New Maker* initiative, an annual series highlighting contemporary makers whose practice reflects the ethos of the Arts & Crafts Movement, featured Edinburgh-based silversmith Annabel Hood in 2025. Hood creates simple, functional silverware, hand-engraved with designs that address social issues such as disability awareness and climate change. Hand engraving, now recognised as an endangered craft by the Heritage Crafts Red List, was at the heart of her practice.

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Windermere Jetty Museum

Microworld, February 2024 – January 2025

Microworld offered visitors of all ages a dynamic and immersive digital art experience, inviting them to explore biodiversity and ecology through play, experimentation, and collaboration. This interactive exhibition created a responsive digital ecosystem of projected artworks, encouraging reflection on the micro-creatures that inhabit Lake Windermere.

Microworld was created by Genetic Moo, a collaboration between Nicola Schauerman and Tim Pickup, and produced by Lumen Art Projects.

Imagination Playground: Blue Space, March 2025 – ongoing

In March 2025, Windermere Jetty Museum introduced *Imagination Playground: Blue Space*, an interactive environment inspired by boatbuilding and engineering. The large-scale STEM play system included bricks, cylinders, chutes, and channels, enabling children to construct inventions, environments, and activities while encouraging creativity, problem-solving, and collaborative play.

Participation and Learning

During 2024–25, Lakeland Arts delivered a wide-ranging programme of engagement activities across our sites, deepening connections with schools, communities, and local partners through our participation and learning programme.

Thanks to increased staff capacity and dedicated roles—a Creative Producer for schools and another for community and partnership development—we significantly expanded our reach:

- 1,997 students took part in 138 formal education sessions across our sites
- we engaged 10,318 family members through 548 different engagements
- we exceeded our target by 363% by engaging 11,514 participants through talks, workshops, courses, festivals and other activities
- together, our programmes reached an estimated 89,578 participants, engaging more diverse groups and breaking down traditional barriers to museum participation

"This is quite a museum, huh? On a personal note – and as someone who is no stranger to museums – I can't remember having a more impactful day in one!"

– Visitor, Multicultural Forum visit, January 2025

Sustainability and Ecology Programme

An ecology-themed sustainability series was launched to connect environmental themes with creative engagement. The programme featured free entry for students and families to view their work exhibited at Abbot Hall, workshops exploring regenerative agriculture, and an event serving locally sourced produce from participating farmers. The pilot event welcomed 60 attendees and laid the foundation for expanding this strand of activity in future years.

The Windermere Science Festival once again demonstrated the strength of collaboration by delivering 27 activities and workshops for audiences of all ages. Guidance from Lakeland Arts supported the festival in exploring community funding opportunities, supporting its long-term financial sustainability. Consequently, funding was secured from the Lake District Foundation, enhancing the festival's future and strengthening the resilience of the partnership.

Lakeland Arts

Building on this momentum, Lakeland Arts launched the inaugural Festival of the Lake in June to celebrate Windermere's cultural heritage. The event offered a platform for affiliated organisations, including the Arthur Ransome Society and Waterbird (The Lakes Flying Company).

A new seasonal programme, 12 Days of Christmas, was launched at Blackwell to attract visitors during a traditionally quiet period. Covering music performances, family-friendly activities, and workshops led by makers, the initiative aimed to diversify the venue's offerings while piloting and testing approaches to engage different audiences.

Collections and Displays

There were 16 acquisitions into the Lakeland Arts collection:

1. an arts and crafts jug by Henry Loveridge and Co, donated by Martyn Griffiths, July 2024
2. a collection of photographs, videos, and documents relating to the restoration of the powerboat White Lady, donated by the Estate of Sylvia Mason, July 2024
3. two spelk baskets by Lorna Singleton, purchased with the support of the Art Fund's Nicholas Goodison Award, July 2024
4. 'Strange Fruit', glass and metalwork sculptures by Chris Day, purchased with the support of the Art Fund's Nicholas Goodison Award, August 2024
5. 'Autumn Dance' metalwork sculptures Claire Malet, purchased with the support of the Art Fund's Nicholas Goodison Award, August 2024
6. 'Regenerative Appetites' sculpture by Martha Wiles, purchased with the support of the Art Fund's Nicholas Goodison Award, August 2024
7. 'Cumbrian Blue(s), Marsellaise Sampler Jug No 1' ceramic by Paul Scott, purchased with the support of the Art Fund's Nicholas Goodison Award, August 2024
8. Iseabal Hendry, 'Crunch' and 'Lan' woodwork sculptures, purchased with the support of the Art Fund's Nicholas Goodison Award, September 2024
9. 12 Ceramic artworks by Steve Dixon, purchased with the support of the Art Fund's Nicholas Goodison Award, October 2024
10. 'Reg and Jane Gifford at Michael's Nook' a painting by Claude Harrison, donated by Tony Wrathall, November 2024
11. a 'Daffodil dresser' designed by Mackay Hugh Baillie Scott, purchased with the support of the V&A Purchase Grant Fund, the Decorative Arts Society, and a private donor, November 2024
12. 'Glacial Drift' silverware teaset by Annabel Hood, purchased with the support of the Art Fund's Nicholas Goodison Award, January 2025
13. Iklwa chair by Mac Collins, purchased with the support of the Art Fund's Nicholas Goodison Award, January 2025
14. 'Clappersgate', a John Harden drawing, bequeathed by Anthony Chew, March 2025
15. George Wilson silhouette, purchased March 2025
16. two paintings by Alice Sielle, donated by the artist, April 2025

Lakeland Arts

Collections Loans Out

Exhibition Loans Outgoing (England)

Borrowing Institution	Quantity
Tullie, Carlisle	3
Sunderland Museum and Winter Gardens	3
TOTAL	6

Exhibition Loans Outgoing (rest of UK)

Borrowing Institution	Quantity
	0
TOTAL	0

Exhibition Loans Outgoing (International)

Borrowing Institution	Quantity
Centro de Arte Moderna Gulbenkian, Lisbon, Portugal	1
TOTAL	1

Collection Care and Documentation

Good progress has been made with the John Ellerman-funded project to audit and rationalise the social history collections of the Lakeland Museum and Lakeland Arts' storage units, with the assistance of volunteers.

The curatorial team continued to undertake regular conservation cleaning at Blackwell and Windermere Jetty Museum.

Heritage Boat Conservation

Despite the challenges posed by reduced staffing and limited funding, our Conservation team demonstrated resilience and professionalism and successfully delivered a wide range of accomplishments. Conservation work was able to continue as a result of continuous commercial tenders securing income and drawing on the diverse skill set the team worked to develop. While preserving our nationally significant collection is an organisation priority, expertise was offered to the wider maritime heritage sector.

All Lakeland Arts' vessels awaiting conservation were stabilised, and extensive off-water maintenance was conducted across the operating fleet. Key highlights included the overhaul of Osprey (steam launch) and Penelope II (motor launch), weather protection works carried out to safeguard the steam barge Raven, and the commissioning and introduction of a new safety management system for the steam launch Lady Elizabeth. A rare 1930s racing scull was also accessioned, conserved, and displayed, complementing our collection.

Lakeland Arts

Alongside collection care, the team undertook a wide range of conservation and consultancy work for external partners, enhancing Lakeland Arts' reputation nationwide. This included surveying three historic lifeboats for the RNLI at Chatham, with recommendations for conservation to be carried out by trained volunteers, as well as conservation work on a rare coffin boat for the Glencoe Folk Museum.

Attendance at the HMS Victory Technical Committee led to strengthened national sector relationships, raising Lakeland Arts' profile within the National Historic Ships UK network. Regionally, we enhanced local connections through work with Lancaster Maritime Museum, undertaking digital recording and physical deconstruction in line with National Historic Ships guidelines. We also completed the repair of a 1930s' gentleman's launch, replacing carvel planks on both sides. Although a private commission for a local owner, the vessel has strong links to our collection through its association with *Jane*, a Home Guard boat. By integrating the repair into our daily Conservation Conversation programme, we were able to connect visitors directly with the history of the lake and the craft skills used to preserve it.

Investing in people and skills remained a key focus. The Conservation Boatbuilding Apprentice developed specialised skills, some of which are listed on the heritage-at-risk red list. Contributions included fabricating a cradle for a Manchester Ship Canal tug, now safely displayed at the National Waterways Museum in Ellesmere Port, and leading a skills workshop for 48 students from a Morecambe school, where a miniature steam engine the Apprentice had built was showcased. Alongside apprenticeships, weekly practical conservation opportunities were offered to volunteers, and visitors were engaged through daily conservation talks, which helped deepen public understanding of heritage boatbuilding and preservation.

The team also continued to innovate in public engagement. The in-house development of 'Raising Dolly', an interactive experience, proved especially popular with families and served as a foundation for new digital interpretation projects. Funded by a passionate private donor, and having witnessed this success, our Digital Conservation Engineer is now developing a further initiative that will interpret the movement of goods across Windermere, linking to the historic vessel *Raven* and the industries that shaped the economy of the lake over centuries.

Through these achievements, Lakeland Arts' Heritage Boat Conservation team protected nationally significant vessels while inspiring and educating audiences, investing in the next generation of craftspeople, and reaffirming the organisation's role as a trusted centre for maritime heritage. As part of our shared ACE National Portfolio Organisation status, this work galvanised public engagement, fostered innovation, and enhanced financial resilience through commercial opportunities, ensuring that Windermere's rich maritime history remains vibrant for future generations.

Heritage Boat Trips and Operations

In 2024/25, our Heritage Boat Conservation team combined public engagement with sector-leading conservation to deliver a programme whose impact was felt locally and nationally. Daily boat trips ran between April and October, with most services operating aboard *Penelope II*, while *Osprey* was reserved for exclusive bookings. September proved especially popular, as a wedding party booked multiple sailings alongside a series of private charters. To diversify the visitor experience further, we also introduced sailing trips in *Swallow*, which broadens the range of visitors we can attract, offering new audiences different ways to share in local heritage. By the end of the season, we welcomed 4,922 passengers and hosted 80 exclusive bookings, demonstrating the continued draw of our heritage fleet.

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Behind the scenes, our skilled team carried out essential conservation work to ensure these vessels remained safe and seaworthy. The boats most frequently used required the greatest attention, and that year we undertook a major engine overhaul of *Osprey*. This complex work involved digital modelling to understand valve timing and the reverse engineering and manufacturing of worn moving parts. With the exception of foundry casting, all work was delivered in-house, keeping traditional skills alive and embedding them into our apprenticeship programme.

Our ongoing commitment as part of an Arts Council England National Portfolio Organisation galvanise our public engagement offers, drive innovation. While our Heritage Boat Conservation team continued to leverage commercial opportunities to safeguard skilled roles, and support organisational financial resilience.

Generated Income

Earned Income

The commercial activities of Lakeland Arts are managed by Lakeland Arts Enterprises Ltd, the charity's wholly owned trading subsidiary. This entity undertakes all non-primary charitable operations, donating its net income to the charity annually.

Efforts to increase commercial revenue continued through retail, catering, venue hire, commercial boat work and events. The teams worked hard to maximise returns by strengthening gross profit margins and staff costs.

Earned net income from Lakeland Arts Enterprises was £1,028,926 with an operating surplus of £171,162.

Catering

The catering department delivered a strong performance in 2024/25, finishing 10% above the revised forecast. This success was supported by carefully managed menu price increases and the strategic decision to keep the Windermere Jetty Museum café open during the winter closure period, which significantly contributed to the positive results.

The catering team at Abbot Hall expanded the food offering to include freshly prepared salads and sandwiches, which enhanced visitor choice and supported a more engaging, high-quality dining experience.

Building on this momentum, opportunities were identified to further strengthen performance, including a comprehensive review of price points, the introduction of seasonal menus to refresh the offering throughout the year, and cross-promotion with events to increase dwell time and secondary spend.

Catering continued to play an important role in enhancing the visitor experience across our sites. A cross-promotional 10% members' discount in our cafés not only added value for supporters but also increased income by encouraging more membership sign-ups and higher catering expenditure.

Retail

Retail performance in 2024/25 reflected broader sector pressures, with income ending 36% below revised forecasts. Visitor behaviour mirrored national trends, with spending focused on admissions and the café, while retail purchases were mostly limited to affordable pick-up items rather than from higher-value ranges.

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In response, we refreshed the Blackwell Tearoom and Shop, working with the Estates team to improve the visitor experience and enhance the retail offer. Upgrades included a new colour scheme, improved lighting, expanded shelving in the tearoom, and the introduction of new accessories. These changes created a brighter, more welcoming environment, encouraging browsing and increasing visitor dwell time.

Although retail trading remained challenging, these enhancements formed part of a broader strategy to adapt to evolving visitor behaviours. By aligning our commercial spaces more closely with the distinct character of our sites, we offered unique experiences that complemented admissions and hospitality, while strengthening overall financial resilience.

Events and Private Hire

Over the past year, Lakeland Arts hosted and collaborated on a variety of events and activities that united diverse communities and partners. Highlights included major festivals such as the Windermere Science Festival, Festival of the Lake, Lake District Music Festival, and Kendal Mountain Festival, with both Abbot Hall and Windermere Jetty Museum hosting engaging programmes. Abbot Hall also welcomed the Lakes International Comic Arts Festival, while Blackwell provided the venue for the Craft Fair, the *12 Days of Christmas* celebration, and creative workshops with Darcy Badger Designs.

Special anniversaries and gatherings were celebrated, including the Arthur Ransome Society's 50th anniversary and the Wooden Boat Gathering at Windermere Jetty Museum. Bespoke visits and private events further strengthened ties with partners and supporters, including a VIP cultural tour with La Fugue and a fundraising event with Rathbones in aid of the Cumbria Community Foundation.

Collaborations also demonstrated a strong commitment to community and skills development. These included sea survival training delivered by Heightec, partnership work with the Bowness and Windermere Community Care Trust, and participation in the Aha! leaflet swap event, which encouraged cultural engagement across the region.

Location Hire

The site attracted strong interest as a venue for filming and private hire, including weddings, corporate functions, and other exclusive events. Location hire not only generated additional revenue but also introduced new audiences to the site, many of whom returned as visitors on future occasions.

Filming highlights included Channel 4's *Four in a Bed*, an advert for Currys produced by iSite TV and coverage by *BBC Breakfast*.

Opportunities to expand bespoke options were created through customised VIP packages and closer collaboration with local accommodation providers, including the Low Wood Hotel.

Windermere Jetty Museum continued to establish itself as a distinctive venue for weddings and celebrations. The renewal of the museum's wedding licence, alongside updated pricing structures, contributed to a noticeable increase in advance bookings, with six weddings already booked for 2025/26.

The site also hosted a variety of other high-profile events, including the RAC Rally of the Tests in 2024 and serving as a checkpoint for the A to Z EV Rally.

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Raised Income

Lakeland Arts was awarded a two-year grant from the Esmée Fairbairn Collections Fund, managed by the Museums Association, to support the development of new collaborative working practices at Abbot Hall. The project, *New Strategies and Ecosystems for Collections*, explored how a deeper understanding of local landscapes and ecologies shaped more symbiotic relationships between collections and communities. Its aim was to create a community-focused ecosystem in Kendal by bringing in a wider range of voices, engaging cross-sector partners, and building shared knowledge and expertise. This approach transformed how new and existing audiences engaged with our collections and offered new avenues to evoke meaningful interaction with both classic and contemporary pieces.

Collaboration through the Cumbria Museum Consortium (CMC) also created new opportunities to secure joint funding. Our first success was a grant from the John Ellerman Foundation, which supported an innovative project that addressed the complex subject of disposals within regional museums. This work responded to a longstanding commitment by Lakeland Arts to represent a broad spectrum of people, industries, and histories. Over time, this commitment led to duplicate items and material that had been collected beyond the organisation's original remit.

Funding enabled us to appoint two Collection Assistants for 12 months, who focused on cataloguing, rationalisation, disposals, and essential conservation. Through this work, we modernised our approach to disposals, aligning fully with Museums Association best practice and training staff across the organisation in the process. More than 500 objects were ethically disposed of, either by return, transfer, sale, or destruction. At the same time, we improved documentation for over 1,200 objects, reconciled dozens of orphan items, and resolved more than 120 long-term and orphan loans, with objects either returned to lenders or formally transferred into our care.

Alongside this collections-focused work, we implemented a new fundraising strategy to align with our organisational priorities of consolidation and stabilisation. A key strand of this was renewing support for Lakeland Museum, addressing reputational damage from its prolonged closure. Re-engagement with lapsed funders and stakeholders was a notable success, strengthening our application for funding for the National Lottery Heritage Fund Development Phase.

An encouraging site visit in February marked a positive step toward our submission planned for Summer 2025. This application will focus on a capital feasibility study for the Abbot Hall and Lakeland Museum site, examining environmental considerations and building organisational capacity. Investment to match our ambition of leading a major capital project that will secure a sustainable, state-of-the-art heritage destination for the region will be incorporated.

Lakeland Arts secured further support from Art Fund to participate in the nationwide project 'Four Lanterns', joining prestigious institutions such as the William Morris Gallery in London, Tŷ Pawb in Wrexham, and Dovecot Studios in Edinburgh. 'Going Places' is a country-wide, five-year programme running from 2025 to 2030, designed to share museum collections through collaborative touring exhibitions and community engagement. The project will encourage small to mid-sized museums to form networks, co-create exhibitions that tour regionally, and involve local communities in shaping the content. It also provides participating museums with training, mentorship, and opportunities for resource sharing, fostering more sustainable, accessible, and equitable approaches to cultural engagement.

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Partnerships

Over the past year, Lakeland Arts built a wide range of partnerships that enriched programming, strengthened community connections, and improved the visitor experience. Collaborations with Stride & Edge Yoga, the Steamboat Association, and the Windermere Model Boat Club created more opportunities for active visitor engagement linked to the lakeside environment. Working with creative partners such as the Knotted Project, Kendal Concert Band, Flutes & Co, Chetham's School of Music, and North West Harps brought lively cultural activities to our venues.

We partnered with national and international arts organisations to put together an ambitious and high-quality exhibitions programme. Exhibition partners included the De Morgan Foundation, Liverpool Biennial, Liss Llewellyn Fine Art, Hayward Touring, Plaey Design and more.

Links with Kendal Pride, Windermere Children, and Mountain Goat Freedom Days further strengthened ties to local communities, while partnerships with the Lake District Hotels Association and several local hotels offered guests discounted admission, and broadened reach to new audiences. Relationships with national bodies such as National Historic Ships UK reinforced the organisation's role within wider regional and national networks.

These partnerships not only expanded the range of activities offered but also demonstrated a dedication to collaboration, ensuring Lakeland Arts' venues stayed vibrant, inclusive, and connected to the communities they serve.

Visitor Experience

In 2024/25, the Visitor Experience team concentrated on a series of initiatives aimed at enhancing engagement, increasing operational efficiency, and opening up new revenue opportunities across all sites. Their efforts combined detailed analysis of visitor behaviour with targeted commercial and experiential strategies to deliver a high-quality, sustainable heritage experience.

Total net admissions income was £1,284,507, a shortfall of £165,609 (11%) compared to the revised forecast of £1,450,116. Despite this, the organisation achieved significant operational savings to offset the impact. Staffing costs decreased by £61,550 (4%) through more efficient workforce management, while the direct cost of sales dropped by £54,527 (14%) due to tighter controls, gross profit margin reviews, and improved procurement practices.

To strengthen future revenue streams, the team started developing exclusive visitor packages across all three sites. This process involved benchmarking similar experiences nationally, preparing detailed cost analyses to guide delivery, and exploring strategic partnerships with the wider hospitality sector to add value to the experiences.

Through these measures, Lakeland Arts demonstrated a proactive and strategic approach to balancing financial sustainability with visitor engagement. By refining operations, innovating the visitor offer, and exploring new commercial opportunities, the organisation maintained a high-quality heritage experience while ensuring the long-term resilience of its sites.

Volunteering

In 24/25 we saw an increase in volunteering hours. Overall volunteers dedicated 5777 hours across Windermere Jetty Museum, Blackwell – the Arts and Crafts house and Abbot Hall.

The diverse opportunities across Lakeland Arts' three venues provide volunteers with a broad range of engagement. Abbot Hall, as the flagship and longest established, continues to attract the majority of volunteers, with around 70 of the 96 active volunteers dedicating their time there.

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During the year, efforts focused on strengthening volunteer relationships and enhancing the volunteer experience. The volunteer management system, Better Impact, was utilised to streamline records and provide a clearer understanding of the active volunteer base.

Coffee mornings were reintroduced across all venues, building on the success of previous sessions at Windermere Jetty. These informal gatherings foster community and connection, with future events scheduled to coincide with exhibition launches.

To deepen engagement, volunteers were invited to curator-led exhibition tours, with recordings supplied for those unable to attend. Gallery information is now shared in advance, especially at Abbot Hall, ensuring volunteers are well informed and confident in their roles.

A highlight of the year was the preview of 'A Delicate Tension' which attracted a strong turnout of Abbot Hall volunteers. Feedback reflected pride in Lakeland Arts' collection and enthusiasm for sharing it with the community. Notably, one volunteer marked an extraordinary milestone of 50 years of service at Abbot Hall.

Marketing and Communications

There has been a noticeable decline in visitor numbers across the Lake District, affecting cultural institutions, heritage sites, and visitor attractions. This trend reflects both regional and national shifts in tourism behaviour.

The rising cost of living remains a significant factor, with many UK households reducing discretionary spending, including short breaks and day trips. Staycation rates have also fallen compared with the immediate post-COVID years, as more families return to international travel with renewed confidence.

During the year, the team began working with Manchester-based digital agency One Day to deliver a refreshed programme of advertising campaigns. Targeting both national audiences and local visitors within a two-hour drive, the campaigns promoted all three open venues and supported the optimisation of future Google and Meta advertising. This partnership has strengthened brand awareness across all three museums and delivered a consistent return on investment through online ticket sales. The contract with One Day remains active, with scope to develop more varied and seasonal advertorial content.

The team also entered its third year on the steering group for Cumbria Tourism's 'Let's Go Culture' campaign, working alongside Brewery Arts, the National Trust and Wordsworth Grasmere. The initiative aims to increase visitor numbers to cultural attractions and raise awareness of Cumbria's high-quality cultural offer. As part of this campaign, nine social media influencers visited Windermere Jetty Museum and Blackwell, generating strong brand exposure. In addition, monthly journalist visits were arranged to support exhibition promotion and broader PR activity.

During 2024/25, new outdoor signage was installed at Abbot Hall to strengthen its presence within the local community. Out-of-home advertising at Oxenholme train station and print campaigns with the *William Morris Society*, *Aesthetica*, *Art Monthly*, *Primary Times*, and tourism publications further enhanced visibility. Filming was also commissioned across all sites to produce a suite of new promotional videos, alongside external advertising and ticketing through *Love to Visit* and *Educational Visits UK*.

Lakeland Arts

Finally, standardised Arts Council England surveys were introduced at Windermere Jetty Museum, Blackwell, and Abbot Hall, providing valuable insight into visitor experience and engagement.

Capital Projects, Buildings, and Estates

Abbot Hall

Throughout the year, efforts continued to ensure Abbot Hall remains a welcoming, safe, and accessible space for visitors to engage with arts and culture.

Significant work was completed to stabilise Blind Beck, located alongside the building, including raising the nearside wall to enhance flood defence. This project represented the final phase of the South Lakeland District Council initiative, which began during Abbot Hall's closure for essential repairs and upgrades. Managed by the Council (now Westmorland & Furness Council) as the building's owner, the work included internal and external redecoration, installation of a new heating system and electrical system upgrades.

These improvements modernised the gallery while ensuring it is fully equipped and ready for future programming. Regular maintenance of gallery spaces has also been carried out to ensure they meet the highest standards for displaying works of art.

In addition, the Participation and Learning team began a rewilding project in the oval green space, collaborating with the local community to plant new species and enhance biodiversity.

Blackwell – The Arts & Crafts House

Lakeland Arts worked to improve energy efficiency while adhering to strict preservation stipulations to protect Blackwell, one of Britain's finest examples of Arts & Crafts architecture. In April 2024, we commissioned a condition report to evaluate the property and pinpoint the most urgent conservation areas. To ensure the work was feasible, we broke down the recommendations into manageable phases.

The initial phase, funded by Lakeland Arts, concentrated on essential roof and masonry repairs. These updates enhanced the building's resistance to weather, protected historic features, and ensured the long-term preservation of the site.

With the generous support of a private donor, further heating upgrades were completed in 2025. A new control system created a more stable environment for our collections, safeguarding artworks and enabling us to host important future loans. At the same time, these improvements enhanced comfort for visitors and staff while also increasing energy efficiency.

Although humidity remains a challenge, our phased programme of works to address water ingress will help stabilise the environment further, ensuring lasting protection for this remarkable Arts & Crafts house and its collection.

To enhance the visitor experience, we also refreshed the tearoom, shop, and reception areas with new lighting, shelving, and decoration—creating a more welcoming and enjoyable space for everyone.

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Windermere Jetty Museum

In December 2024, Storm Darragh caused extensive damage to our jetties, endangering both visitor access and our collection of heritage boats. Thanks to quick action, repair work was completed in time for the start of the spring season.

These repairs were vital in allowing our popular heritage boat trips to resume, ensuring that visitors could once again enjoy unique journeys on Lake Windermere aboard historic vessels in our collection. The works not only protected an important part of our collection in use but also preserved a much-loved visitor experience that connects people with the region's rich maritime history.

By restoring safe and reliable access to the water, we have been able to continue sharing the stories of Windermere's boatbuilding heritage, welcoming both local communities and visitors from further afield. This has helped sustain our educational programmes, volunteering opportunities, and the wider economic benefits these activities deliver to the organisation.

Fundraising Disclosures

With accredited museums being part of the CMC portfolio Lakeland Arts adheres to the Museums Association Code of Ethics for Museums. The Code defines the ethical principles which guide museum practice and underpin policy and practice regarding the development of museum collections. An ethical approach to museums also underpins the Accreditation Standard. This code supports museums, those who work in and with them, and their governing bodies in recognising and resolving ethical issues and conflicts. It sets out key ethical principles and the supporting actions that museums should take to ensure an ethical approach to their work in relation to their audiences, local communities, donors, source communities, partner organisations, sponsors and funders. Lakeland Arts is an organisational member of the Museums Association.

Lakeland Arts has a set of policies that ensure we implement and adhere to the Museums Association Code of Ethics, including in relation to donors and funders. These include our Privacy Policy and our Safeguarding Children and Vulnerable Adults Policy, which applies to all staff, trustees, volunteers, and contractors, and sets out how we would recognise and deal with incidents of suspected financial abuse.

During the year Lakeland Arts contracted professional fundraising services from a third-party business, Laura Irvin Enterprises, to carry out fundraising on its behalf. During this period Lakeland Arts did not receive any complaints about activities by the charity or by a person on behalf of the charity for the purpose of fundraising. The organisation will register with the Fundraising Regulator in the next financial year.

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Benefactors and Patrons

Lakeland Arts warmly thanks its Benefactors and Patrons for their generous and ongoing support.

Benefactors (as at 31 March 2025):

- Mrs Jan Amber
- Mr Tim Harding
- Mr John Hudson, CBE, and Mrs Nadia Hudson
- Miss Laura Lindsay
- Dr Adam Naylor, MBE, DL, and Mrs Marianne Naylor
- Mrs Elizabeth "Pit" Rink and Mr John Rink
- Mr Mark Southern and Mrs Laura Southern
- Mrs Jean Wood

Patrons (as at 31 March 2025):

- Mr Hal Bagot and Mrs Susan Bagot, MBE
- Mr John Barradell and Mrs Maggie Barradell
- Mrs Anthea Case, CBE, and Mr David Case
- Mr Charles Crewdson, OBE, and Mrs Victoria Crewdson
- Mr Christopher Crewdson and Mrs Diana Crewdson
- Sir James Cropper, KCVO
- Mr William "Bill" Duffton and Mrs Rachel Duffton
- Ms Wendy Ellis
- Mr Neil Fleming, BEM, and Mrs Susan Fleming
- Mr John Forsyth and Mrs Barbara Forsyth
- Mr Michael Gibbons and Mrs Lynne Gibbons
- Mr Robert Hasell-McCosh and Mrs Jane Hasell-McCosh
- Mr Adrian Hohler
- Susan, Lady Kimber
- Mr John Lee and Mrs Heather Lee
- Mrs Christine Lomas Whittle
- Mrs Diana Matthews
- Mr John Nicoll and Ms Laurence Colchester
- Mrs Judy Rayner
- Ms Diane Reid and Mr John Velnoweth
- Mr Alexander Scott, Lord-Lieutenant of Cumbria, and Mrs Samantha Scott
- Sir Christopher Scott, Bt, and Lady Scott
- Mr John Townson
- Mr Peter White and Mrs Valerie White
- Mr Charles Woodhouse, CVO
- Mr Nigel Woodhouse

And with thanks to all those who wish to remain anonymous.

Lakeland Arts

Public Benefit

Lakeland Arts is dedicated to making a meaningful and lasting impact on the communities it serves by providing access to culture, creativity and heritage. The organisation ensures that its venues, collections and programmes enrich lives, inspire learning and foster wellbeing.

Abbot Hall opened as an art gallery in September 1962, as home to an outstanding art collection and a dynamic exhibition programme.

In 1971, the Lakeland Museum (formerly the Museum of Lakeland Life & Industry) was established within the coach house and stable block at Abbot Hall. The museum holds an extensive collection that celebrates the social and industrial history of the Lake District and Kendal.

Blackwell - The Arts & Crafts House, a Grade I listed building with sweeping views over Lake Windermere, opened in July 2001. Designed by MH Baillie Scott and completed in 1900, Blackwell is one of the UK's most significant Arts and Crafts houses, renowned for its historic and contemporary craft exhibitions.

In March 2019, the Windermere Jetty Museum was inaugurated, offering a world class museum experience and attracting visitors from across the globe.

Throughout its activities, Lakeland Arts prioritises accessibility, learning and inclusivity, ensuring its programmes and venues benefit a wide range of audiences, from local communities to national and international visitors.

Structure, Governance and Management

Nature of Governing Document

Lakeland Arts operates as a charitable company limited by guarantee and is registered as a charity. The organisation was established to modernise the governance of the Lakeland Arts Trust, an unincorporated trust founded in 1957 to save Abbot Hall and transform it into an art gallery.

The charitable company, governed by its Memorandum and Articles of Association, assumed responsibility for the operations of the Trust on 1 August 2013. The Trust's funds, assets, and liabilities were transferred to the charitable company, which continues to operate the venues and manage redevelopment projects, such as Windermere Jetty Museum. The Trust itself retains the Blackwell Endowment (a permanent endowment) and the collections, which are loaned to the charitable company.

The Board regularly reviews its performance against the Charity Governance Code to ensure strong and effective governance.

Recruitment and Appointment of Trustees

The Trustee Succession Planning Committee oversees the recruitment and succession of trustees to ensure the board maintains the skills, diversity, and expertise required to support Lakeland Arts. This committee identifies upcoming vacancies, defines the skills needed and recruits through methods such as advertising, recommendations or recruitment platforms.

Key steps in the trustee recruitment process include:

- reviewing trustee retirement schedules
- identifying skills necessary for the organisation's growth and success

Lakeland Arts

- considering candidates who align with Lakeland Arts' commitment to diversity and inclusion
- interviewing candidates with the Chief Executive Officer, Chair of Trustees, and a committee member.

Recommendations are approved by the Succession Planning Committee and formally endorsed by the Board of Trustees.

Organisational Structure

The trustees of the charitable company also serve as its directors under charity law. The Board of Trustees, comprising six to 15 members, meets regularly to oversee strategy, policy, and operations.

At these meetings, the trustees:

- define the charitable company's strategic direction and policy framework
- monitor financial policies, reserves, risk management and performance
- set remuneration for key management personnel using industry benchmarks.

Trustees appoint and oversee investment managers, currently Sarasin & Partners LLP, to implement Lakeland Arts' investment strategy. Details of key management personnel remuneration and expenses are disclosed in the notes to the accounts.

Trustees are elected during the Annual General Meeting, as stipulated in the Articles of Association. Those who served during the year and since year end are listed in the Charity information section.

Relationships with Related Parties Lakeland Arts Trust

Lakeland Arts acts as the sole trustee of Lakeland Arts Trust, which holds the organisation's collections and manages the Blackwell Endowment. For accounting purposes, Lakeland Arts Trust is treated as a subsidiary of Lakeland Arts.

Lakeland Arts Enterprises Limited

Lakeland Arts Enterprises Limited is the wholly owned trading subsidiary of Lakeland Arts. Together, Lakeland Arts, Lakeland Arts Trust, and Lakeland Arts Enterprises Limited comprise the Lakeland Arts Group, working collaboratively to support the charitable mission.

Lakeland Arts Support Trust

Formed in 1998, Lakeland Arts Support Trust is an independent charity established to generate income in support of Lakeland Arts, with a particular focus on the Abbot Hall site in Kendal. As it operates under a separate board of trustees, it is not part of the Lakeland Arts Group.

Westmorland and Furness Council

Since its formation on 1 April 2023, Westmorland & Furness Council has been a key partner of Lakeland Arts. The Council owns the Abbot Hall building and provides an annual grant to support the charity's operational costs and programme delivery.

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Financial Instruments

Objectives and Policies

The activities of the Lakeland Arts Group expose it to a range of financial risks, including those related to fluctuating visitor spending, cost pressures, investment performance, and broader economic challenges such as inflation and post pandemic recovery. Oversight and management of these risks are the responsibility of the Finance Committee, with trustees receiving regular updates on the organisation's financial position.

Credit Risk

The group's principal financial assets include bank balances, cash, trade receivables, and investments. Credit risk is minimal, as receivables are largely comprised of secured grants. Liquid funds are held with high credit rated banks, ensuring security and stability.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Lakeland Arts for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group 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 parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

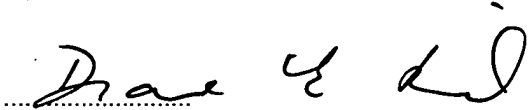
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Lakeland Arts

Disclosure of Information to Auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 19th December 2025 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D Reid', written over a dotted line.

D Reid MCIOF

Chair and Trustee, Lakeland Arts

Lakeland Arts

Independent Auditor's Report to the Members of Lakeland Arts

Opinion

We have audited the financial statements of Lakeland Arts (the charitable parent company) and its subsidiary (comprised within the 'group') for the year ended 31st March 2025 which includes the Consolidated Statement of Financial Activities, Consolidated Balance sheet, Balance sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. We have also prepared an Independent Examiner's Report on Lakeland Arts Trust which forms part of the Lakeland Arts Group. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, comprising Charities SORP – FRS 102 '*The Financial Reporting Standard applicable in the UK and Republic of Ireland*' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the audited financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2025 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; and
- 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 entity's ability to continue as a going concern for a period of at least 12 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, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our

Lakeland Arts

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.

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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report or their strategic report.

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

- adequate and proper 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.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on pages 30-31, the trustees 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 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.

Lakeland Arts

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our experience and from discussions with management. We reviewed any related correspondence and records of trustee meetings to assess compliance with laws and regulations and discussed the current position with management. We ensured the audit team were alert for any indications of non-compliance throughout the audit work.

We reviewed material journals processed in the charitable company's accounting software.

We assessed the charity's policies and procedures on fraud risks. No instances of actual, suspected or alleged fraud were identified by us or the charity in the year.

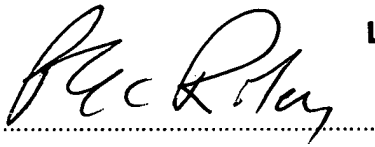
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



Lakeland Arts

Peter G.C. Riley FCA (Senior Statutory Auditor)

For and on behalf of Crossley & Davis,

Crossley & Davis Chartered Accountants

Ground floor, Seneca House

Links Point, Amy Johnson Way

Blackpool

Lancashire

FY4 2FF

19th December 2025

Lakeland Arts

Consolidated Statement of Financial Activities (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Year Ended 31 March 2025

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2025 £
Income and Endowments from:					
Donations and legacies	3	757,574	186,531	-	944,105
Charitable activities	4	775,285	-	-	775,285
Other trading activities	5	1,030,566	-	-	1,030,566
Investment income	6	11,452	-	12,795	24,247
Other income	7	149,248	-	-	149,248
Total income		2,724,125	186,531	12,795	2,923,451
Expenditure on:					
Raising funds	8	(1,230,810)	-	-	(1,230,810)
Charitable activities	9	(1,656,669)	(365,732)	(12,795)	(2,035,196)
Total expenditure		(2,887,479)	(365,732)	(12,795)	(3,266,006)
Gains/losses on investment assets		-	-	4,293	4,293
Net (expenditure)/income		(163,354)	(179,201)	4,293	(338,262)
Transfers between funds		4,293		(4,293)	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes		83,000	-	-	83,000
Net movement in funds		(76,061)	(179,201)	-	(255,262)
Reconciliation of funds					
Total funds brought forward		(433,533)	15,831,447	515,000	15,912,914
Total funds carried forward	27	(509,594)	15,652,246	515,000	15,657,652

The notes on pages 42 to 65 form part of these financial statements

Lakeland Arts

Consolidated Statement of Financial Activities (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses) Year Ended 31 March 2024

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £
Income and Endowments from:					
Donations and legacies	3	643,717	240,922	-	884,639
Charitable activities	4	727,894		-	727,894
Other trading activities	5	1,049,236		-	1,049,236
Investment income	6	1,438	19,827	-	21,265
Other income	7	124,770		-	124,769
Total income		2,547,055	260,749	-	2,807,803
Expenditure on:					
Raising funds	8	(1,420,699)	-	-	(1,420,699)
Charitable activities	9	(1,696,802)	(279,231)	(19,651)	(1,995,685)
Total expenditure		(3,117,501)	(279,231)	(19,651)	(3,416,384)
Gains/losses on investment assets		22,500	-	28,290	50,790
Net (expenditure)/income		(547,946)	(18,482)	8,639	(557,791)
Transfers between funds		41,499	-	(41,499)	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes		22,000	-	-	22,000
Net movement in funds		(484,447)	(18,482)	(32,860)	(535,789)
Reconciliation of funds					
Total funds brought forward		50,914	15,849,929	547,860	16,448,703
Total funds carried forward	27	(433,533)	15,831,447	515,000	15,912,914

The notes on pages 42 to 65 form part of these financial statements -

Lakeland Arts

(Registration number: 8162578)
Consolidated Balance Sheet as at 31 March 2024

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	16	16,642,109	16,787,889
Investments		<u>393,810</u>	<u>426,805</u>
		<u>17,035,919</u>	<u>17,214,694</u>
Current assets			
Stocks	19	19,859	24,986
Debtors	20	247,344	365,100
Cash at bank and in hand	21	<u>27,271</u>	<u>233,325</u>
		294,474	623,411
Creditors: Amounts falling due within one year	22	<u>(461,412)</u>	<u>(675,137)</u>
Net current (liabilities)/assets		<u>(166,938)</u>	<u>(51,726)</u>
Total assets less current liabilities		16,868,981	17,162,968
Creditors: Amounts falling due after more than one year	23	<u>(1,294,329)</u>	<u>(1,250,054)</u>
Net assets excluding pension liability		15,574,652	15,912,914
Pension scheme liability	24	<u>83,000</u>	<u>-</u>
Net assets including pension liability		<u>15,657,652</u>	<u>15,912,914</u>
Funds of the group:			
Endowment funds		<u>515,000</u>	<u>515,000</u>
Restricted income funds			
Restricted funds	27	15,652,246	15,831,447
Unrestricted income funds			
Unrestricted funds		(592,594)	(433,533)
Pension reserve		<u>83,000</u>	<u>-</u>
Total unrestricted funds		<u>(509,594)</u>	<u>(433,533)</u>
Total funds	27	<u>15,657,652</u>	<u>15,912,914</u>

The financial statements on pages 32 to 59 were approved by the trustees, and authorised for issue on 19 December 2025 and signed on their behalf by:

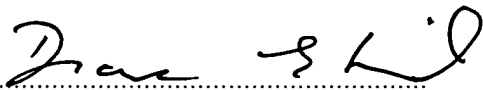

D Reid MCIOF
Chair and trustee

Lakeland Arts

(Registration number: 8162578)
Balance Sheet as at 31 March 2024

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	16	16,642,109	16,787,889
Investments		<u>2</u>	<u>2</u>
		<u>16,642,111</u>	<u>16,787,891</u>
Current assets			
Debtors	20	252,294	352,792
Cash at bank and in hand	21	<u>27,006</u>	<u>230,751</u>
		279,300	583,543
Creditors: Amounts falling due within one year	22	<u>(418,248)</u>	<u>(602,125)</u>
Net current (liabilities)/assets		<u>(138,948)</u>	<u>(18,582)</u>
Total assets less current liabilities		16,503,163	16,769,309
Creditors: Amounts falling due after more than one year	23	<u>(1,469,807)</u>	<u>(1,375,532)</u>
Net assets including pension liability		<u>15,033,356</u>	<u>15,393,777</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	27	15,652,246	15,831,446
Unrestricted income funds			
Unrestricted funds		<u>(618,890)</u>	<u>(437,669)</u>
Total funds	27	<u>15,033,356</u>	<u>15,393,777</u>

The financial statements on pages 32 to 59 were approved by the trustees, and authorised for issue on 19 December 2025 and signed on their behalf by:


D Reid MCIOF
Chair and trustee

The notes on pages 42 to 65 form part of these financial statements

Lakeland Arts

Consolidated Statement of Cash Flows Year Ended 31 March 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash expenditure		(338,262)	(557,791)
Adjustments to cash flows from non-cash items			
Depreciation	16	206,833	177,366
Prior year capitalisation adjustment (non-cash)		(61,052)	-
Investment income	6	(24,247)	(21,265)
Revaluation of investments		(4,293)	(28,790)
		<u>(221,021)</u>	<u>(430,480)</u>
Working capital adjustments			
Decrease in stocks	19	5,127	5,496
Decrease/(increase) in debtors	20	117,756	(228,305)
(Decrease)/increase in creditors	22	(108,051)	175,847
Decrease/(increase) in retirement benefit obligation	24	-	(22,000)
Increase/(decrease) in deferred income	23	(39,000)	39,000
Net cash flows from operating activities		<u>(245,189)</u>	<u>(460,442)</u>
Cash flows from investing activities			
Interest receivable and similar income	6	11,452	1,438
Sale of tangible fixed assets		-	150,000
Purchase of investments		-	(12,632)
Sale of investments		36,600	340,850
Income from dividends	6	12,795	19,827
Net cash flows from investing activities		<u>60,847</u>	<u>499,483</u>
Cash flows from financing activities			
Repayment of loans and borrowings	22	(7,332)	(6,365)
Repayment of capital element of finance leases and HP contracts		(14,380)	34,863
Net cash flows from financing activities		<u>(21,712)</u>	<u>28,498</u>
Net (decrease)/increase in cash and cash equivalents		(206,054)	67,539
Cash and cash equivalents at 1 April		233,325	165,786
Cash and cash equivalents at 31 March		<u>27,271</u>	<u>233,325</u>

Note:

The prior year capitalisation adjustment of £61,052 relates to fixed assets incorrectly expensed in prior periods. These items have been capitalised in the current year as a correction. As the cash outflow occurred in prior years, this non-cash adjustment has been reversed in arriving at net cash flows from operating activities.

Lakeland Arts

Consolidated Statement of Cash Flows for the Year Ended 31 March 2025

	2025 £	2024 £
Reconciliation of net cash flow to movement in net funds		
Increase/(decrease) in cash	(206,054)	67,539
Cash outflow from repayment of loans	7,332	6,365
Cash outflow from repayment of capital element of finance leases and hire purchase contracts	<u>14,380</u>	<u>(34,863)</u>
Change in net funds/(debt) resulting from cash flows	<u>(184,342)</u>	<u>39,041</u>
Net debt at 1 April	<u>(1,043,468)</u>	<u>(1,082,509)</u>
Net debt at 31 March	<u>(1,227,810)</u>	<u>(1,043,468)</u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 42 to 65 form part of these financial statements

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

1. Charity Status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of the registered office is given on the charity information page of these financial statements. The nature of the charity's operations and principal activities are as an arts and heritage organisation caring for and running Abbot Hall Art Gallery and The Lakeland Museum in Kendal, Blackwell, The Arts & Crafts House, and the Windermere Jetty, Museum of Boats, Steam and Stories in Bowness-on-Windermere.

The principal place of business is:

Abbot Hall
Kendal
LA9 5AL

These financial statements were authorised for issue by the trustees on 19th December 2025.

2. Accounting Policies

Summary of Significant Accounting Policies and Key Accounting Estimates

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of Compliance

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 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of Preparation

Lakeland Arts 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 notes.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

Basis of Consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2025. The subsidiaries consolidated for this purpose were Lakeland Arts Enterprises Ltd and Lakeland Arts Trust.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity as an individual entity made a deficit after all gains and losses for the financial year of £360,423 (2024 - deficit of £675,374).

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Going Concern

The financial statements for the group have been prepared on a going concern basis.

The trustees have assessed the appropriateness of this basis, considering whether there are material uncertainties related to events or conditions that may cast significant doubt on the

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

charity's and the group's ability to continue as a going concern. This assessment covers a period of at least one year from the date of approval of these financial statements.

During the year ending 31 March 2025, Lakeland Arts continued to operate in a challenging economic environment. The ongoing cost-of-living crisis affected visitor numbers and discretionary spending, whilst inflationary pressures increased operational costs.

Despite these headwinds, the group delivered an ambitious programme across all three open sites, including the first major Gilbert Spencer retrospective at Abbot Hall, the inaugural Festival of the Lake at Windermere Jetty Museum, and the William De Morgan exhibition at Blackwell. The Lakeland Museum remains closed, though progress has been made towards a National Lottery Heritage Fund Development Phase application.

The group's financial performance reflects an improved but continuing operational deficit of £338k (2024 - £558k), with the shortfall reducing by approximately £220k compared to the prior year. The trading subsidiary performed well, generating an operating surplus of £162k. Arts Council England confirmed extension of National Portfolio Organisation funding to 2026-27, and the defined benefit pension scheme moved from deficit to surplus.

The trustees have reviewed the group's financial forecasts, cash flows, and available resources. Whilst the unrestricted funds position remains in deficit and cash balances have reduced, the trustees are satisfied that, with continued cost discipline and the support of funders, the group has adequate resources to continue operating for the foreseeable future. Accordingly, the accounts have been prepared on a going concern basis.

Judgements

The directors have reviewed whether there were any indicators of impairment of the company's tangible assets. Factors taken into consideration included economic viability and expected future performance. The directors have judged that there is no impairment on the current carrying value of the assets.

Key Sources of Estimation Uncertainty

Tangible fixed assets, which are principally the Windermere Jetty Museum and various plant, fixtures and fittings, are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed and may vary depending on a number of factors. In assessing asset lives factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual values have to reflect possible future market conditions, the remaining life of the asset and potential disposal values. The carrying amount is £16,612,488 (2024 -£16,787,889).

Income and Endowments

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 the income receivable can be measured reliably.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

Donations and Legacies

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows: i.e. when donors specify that donations and grants given to the charitable company must be used in future accounting periods the income is deferred until these periods; or ii. when donors impose conditions which have to be fulfilled before the charitable company becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Deferred Income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Gifts in Kind

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

Donated heritage assets are recognised in the Heritage Asset note but are not otherwise recognised in the Statement of Financial Activities (SOFA) in line with the policy on Heritage Assets.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

Other Trading Activities

Income from commercial trading activities, including retail and catering and commission on sale or return items through retail outlets. This income is primarily the income of the trading subsidiary Lakeland Arts Enterprises Ltd and is recorded on a receivable basis.

Investment Income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Charitable Activities

Income from Charitable trading activities through Abbot Hall Art Gallery, Blackwell the Arts & Crafts House, Lakeland Museum and the Windermere Jetty (including admission, learning and Friends of Lakeland Arts memberships), is included in incoming resources in the period for which it is receivable.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably.

Expenditure is included in the Consolidated Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. All costs are defined in 4 specific categories:

- Raising funds
- Fundraising trading
- Charitable activities
- Other

Raising Funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Charitable Activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support Costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

They are incurred directly in support of expenditure on the objects of the charity and include project management and professional fees. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Governance Costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible Fixed Assets

Individual fixed assets costing £5,000.00 or more are initially recorded at cost including any incidental expenses of acquisition (with the exception of heritage assets), less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Heritage Assets

Lakeland Arts' principal objects include establishment and maintenance of public art galleries and museums for the benefit of the public. In this connection the charitable company has a long leasehold interest, at a peppercorn rent, in listed buildings at Abbot Hall, of which Abbot Hall itself is Grade 1 Listed. The charitable company also has a freehold interest in the Grade I Listed Arts & Crafts house Blackwell – a property of unique historic importance near Bowness-on-Windermere.

These historic properties are inalienable heritage assets in the sense that it is a fundamental part of the charitable company's purpose to hold and preserve them permanently, and Lakeland Arts is effectively prohibited from disposing of them for any other purpose, not only by the terms of its governing documents, but also by external considerations including the terms of leases, conditions applied by funding bodies and planning consents. These properties are not assets in the normal sense of the word because under the irrevocable terms of their present use they have no market value. To provide a market value based on an impermissible change of use would be misleading. The Trustees consider that the buildings are heritage assets and the charitable company does not, therefore, represent them on the Balance Sheet.

Further information on the Lakeland Arts' heritage assets is given in the notes, in accordance with the terms of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) '18. Accounting for heritage assets'.

Depreciation and Amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset Class	Depreciation method and rate
Freehold land and buildings	Held at valuation, revalued every five years - sold in the year
Leasehold land and buildings	straight line over the term of the lease
Plant, equipment and fittings	straight line over 3-4 years
Motor vehicles	straight line over 4 years

Research and Development

Research and development expenditure is written off as incurred.

Investment Properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Fixed Asset Investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock consists of purchased goods for resale and is included at the lower of cost or net realisable value.

Trade Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund Structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the group.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Restricted endowment funds – these are non-permanent endowment funds, the income from which contributes to the operating expenses of Lakeland Arts. The assets of the funds are represented by investments.

Pensions and Other Post-Retirement Obligations

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

The group also operates a defined benefit pension scheme for one employee. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

Financial Instruments

Classification

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Recognition and Measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

3. Income from donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Donations and legacies;				
Donations from companies, trusts and similar proceeds	623,681	113,614	737,295	746,766
Legacies	-	66,667	66,667	52,416
Gift aid reclaimed	62,713	6,250	68,963	10,776
Membership income (including Friends, patrons and benefactors)	71,180	-	71,180	74,681
	757,574	186,531	944,105	884,639

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Other grants and donations				
Core Grants				
Arts Council England NPO	527,156	-	527,156	451,848
Lakeland Arts Support Trust	129,005	-	129,005	60,000
Westmorland & Furness Council	60,000	-	60,000	37,500
Kendal Town Council	-	-	-	-
NPO Grant funding	-	-	-	-
Other Grants and Donations	-	16,000	16,000	-

Covid-19 and Business Continuity Grants

DCMS Cultural Recovery Fund Round 3 (1 & 2)				-
Bid grant				-

Programme/Project Grants

DCMS/Wolfson Climate Gallery Project	-	-	-	40,485
John R. Murray Charitable Trust	-	-	-	30,000
Art Fund	-	500	500	-
Esmée Fairbairn Foundation	-	-	-	40,000
Sir Nicholas Goodison Award for Contemporary Craft	-	39,000	39,000	21,000
Westmorland & Furness Council AH Nature & Partnership Grant	-	-	-	20,000
RR & A James Salter for Gilbert Spencer Exhibition	-	-	-	5,000
Kendal Town Council - Community Grant	-	5,000	5,000	5,000
The John Ellerman Foundation	-	13,254	13,254	13,055
Julia Abrey re Swallow	-	-	-	13,000
Going Places Grant	-	475	475	500
Westmorland Arts Trust for Amy Williams Workshops	-	-	-	1,982
GF Armitage Charitable Trust - Raven Project	-	-	-	250
Andrew Wade donation - Raven Project	-	-	-	500
The Museums Association re Helen Stalker	-	-	-	150
Victoria and Albert Museum - Baillie Scott Dresser	-	8,467	8,467	-
Jan Ambler - IMO Tony Ambler - Blackwell Building Repairs	-	31,250	31,250	-
Other Donations and Small Grants	-	5,600	5,600	6,496
	716,161	119,546	835,707	746,766

4. Income from charitable activities

	Unrestricted funds £	Total 2025 £	Total 2024 £
Visitor income	640,537	640,537	589,369
Learning income	2,192	2,192	935
Museums and Galleries tax relief	132,556	132,556	137,590
	775,285	775,285	727,894

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

5. Income from other trading activities

	Unrestricted funds £	Total 2025 £	Total 2024 £
Trading income;			
Sales of goods and services	1,029,778	1,029,778	1,046,235
Events income;			
Other events income	788	788	2,958
Lotteries and competitions income	-	-	43
Total for 2025	<u>1,030,566</u>	<u>1,030,566</u>	<u>1,049,236</u>

6. Investment income

	Unrestricted General £	Restricted funds £	Total 2025 £	Total 2024 £
Income from dividends;				
Dividends receivable from other listed investments	10,596	12,795	23,391	19,827
Interest receivable and similar income;				
Interest receivable on bank deposits	856	-	856	1,438
	<u>11,452</u>	<u>12,795</u>	<u>24,247</u>	<u>21,265</u>

7. Other income

	Unrestricted General £	Total 2025 £	Total 2024 £
Other income	75,517	75,517	1,747
CGS VAT Adjustment	73,731	73,731	80,411
Insurance	-	-	42,611
	<u>149,248</u>	<u>149,248</u>	<u>124,769</u>

8. Expenditure on raising funds

a) Costs of generating donations and legacies

Note	Unrestricted General £	Total 2025 £	Total 2024 £
Other direct costs of generating voluntary income	103,158	103,158	133,591
Allocated support costs	131,266	131,266	157,836
	<u>234,424</u>	<u>234,424</u>	<u>291,427</u>

b) Costs of trading activities

Note	Unrestricted General £	Total 2025 £	Total 2024 £
Trading subsidiary costs	352,715	352,715	452,215
Marketing and publicity	71,155	71,155	64,607
Wages and salaries	391,921	391,921	485,185
Allocated support costs	180,512	180,512	128,393
	<u>996,303</u>	<u>996,303</u>	<u>1,130,400</u>

c) Investment management costs

Note	Unrestricted General £	Total 2025 £	Total 2024 £
Other investment management costs;			
Costs of obtaining investment advice	83	83	22
Administration of the investments	-	-	(1,150)
	<u>83</u>	<u>83</u>	<u>(1,128)</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

d) Total expenditure on raising funds

	Direct costs £	Allocated support costs £	Total 2025 £	Total 2024 £
Costs of generating donations and legacies	103,158	131,266	234,424	291,427
Costs of trading activities	815,791	180,512	996,303	1,130,400
Investment management costs	83	-	83	(1,128)
	<u>919,032</u>	<u>311,778</u>	<u>1,230,810</u>	<u>1,420,699</u>

	Direct costs £	Allocated support costs £	Total 2024 £
Costs of generating donations and legacies	133,591	157,836	291,427
Costs of trading activities	1,002,007	128,393	1,130,400
Investment management costs	(1,128)	-	(1,128)
	<u>1,134,470</u>	<u>286,229</u>	<u>1,420,699</u>

9. Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	Total 2025 £	Total 2024 £
Exhibition programmes	188,111	131,577	319,688	254,310
Collections and conservation of exhibits	383,543	133,069	516,612	514,596
Learning	84,005	67,679	151,684	136,467
Historic buildings and premises costs	356,363	38,481	394,844	677,250
Visitor operations	425,392	226,976	652,368	413,062
	<u>1,437,414</u>	<u>597,782</u>	<u>2,035,196</u>	<u>1,995,685</u>

	Activity undertaken directly £	Activity support costs £	2024 £
Exhibition programmes	186,166	68,144	254,310
Collections and conservation of exhibits	436,076	78,520	514,596
Learning	64,976	71,491	136,467
Historic buildings and premises costs	605,819	71,431	677,250
Visitor operations	322,477	90,585	413,062
	<u>1,615,514</u>	<u>380,171</u>	<u>1,995,685</u>

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Exhibition programmes	257,161	62,527	319,688	254,310
Collections and conservation of exhibits	397,011	119,601	516,612	514,596
Learning	151,684	-	151,684	136,467
Historic buildings and premises costs	227,240	167,604	394,844	677,250
Visitor operations	636,368	16,000	652,368	413,062
	<u>1,669,464</u>	<u>365,732</u>	<u>2,035,196</u>	<u>1,995,685</u>

	Unrestricted funds Designated £	Restricted funds £	Total 2024 £
Exhibition programmes	198,034	56,276	254,310
Collections and conservation of exhibits	466,845	47,751	514,596
Learning	136,467	-	136,467
Historic buildings and premises costs	502,045	175,205	677,250
Visitor operations	413,062	-	413,062
	<u>1,716,453</u>	<u>279,232</u>	<u>1,995,685</u>

Included in the expenditure analysed above, there are also governance costs of £45,815 (2024 - £25,944) which relate directly to charitable activities. See note 10 for further details.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

10. Analysis of governance and support costs

Governance costs

	Unrestricted General £	Total 2025 £	Total 2024 £
Staff costs			
Pension costs	2,239	2,239	2,318
Audit fees			
Audit and other fees paid to auditors	23,178	23,178	17,095
Trustees remuneration and expenses	90	90	1,378
Legal fees	-	-	539
Loan interest	20,308	20,308	4,614
	<u>45,815</u>	<u>45,815</u>	<u>25,944</u>

11. Net incoming/outgoing resources

Net outgoing resources for the year include:

	2025 £	2024 £
Audit fees	23,178	15,845
Depreciation of fixed assets	<u>206,833</u>	<u>172,310</u>
	<u>230,011</u>	<u>188,155</u>

12. Trustees remuneration and expenses

During the year the group made the following transactions with trustees:

A Karwa

£Nil (2024: £81) of expenses were reimbursed to A Karwa during the year.

A M Lyles

£90 (2024: £454) of expenses were reimbursed to A M Lyles during the year.

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

13. Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £
Staff costs during the year were:		
Wages and salaries	1,272,373	1,325,543
Social security costs	80,580	101,856
Pension costs	<u>21,456</u>	<u>25,624</u>
	<u>1,374,409</u>	<u>1,453,023</u>

The monthly average number of persons (including senior management / leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2025 No	2024 No
Management, curatorial, marketing and learning	20	21
Administration	6	6
Desk/shop staff	3	4
Coffee House & Tea Room	6	9
Other	2	3
Heritage boat team	1	1
Boat conservation team	<u>5</u>	<u>5</u>
	<u>43</u>	<u>49</u>

The average number of employees in the year as defined by s382/383 of the Companies Act 2006 was 80 (2024 - 81).

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

The number of employees whose emoluments fell within the following bands was:

	2025 No	2024 No
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-

The total employee benefits of the key management personnel of the group were £230,069 (2024 - £324,348).

Key management personnel benefits	230,069

14. Auditors' remuneration

	2025 £	2024 £
Audit of the group financial statements	20,466	15,845
Other fees to auditors		
Independent examination of subsidiary	2,712	1,250

The audit fees include provision of accountancy services for the preparation of group accounts.

15. Taxation

The group is a registered charity and is therefore exempt from taxation.

16. Tangible fixed assets

Group

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost/Valuation				
At 1 April 2024	17,234,000	482,237	34,483	17,750,720
Additions	-	42,152	18,900	61,052
Disposals	0	-173,427	-14,261	(187,688)
At 31 March 2025	<u>17,234,000</u>	<u>350,962</u>	<u>39,122</u>	<u>17,624,084</u>
Depreciation				
At 1 April 2024	466,134	467,269	29,428	962,831
Charge for the year	155,378	36,950	14,505	206,833
Eliminated on disposals	0	-173,427	-14,262	(187,689)
At 31 March 2025	<u>621,512</u>	<u>330,792</u>	<u>29,671</u>	<u>981,975</u>
Net book value				
At 31 March 2025	<u>16,612,488</u>	<u>20,170</u>	<u>9,451</u>	<u>16,642,109</u>
At 31 March 2024	<u>16,767,866</u>	<u>14,968</u>	<u>5,055</u>	<u>16,787,889</u>

Revaluation

The fair value of the group's Leasehold improvements was revalued on 24 November 2021 by Hyde Harrington, Chartered Surveyors, an independent valuer. The property was valued on an Asset Valuation for the Existing Use. As properties of this nature are not generally traded in the market Depreciated Replacement Cost has been used to determine the Asset Value. Had this class of asset been measured on a historical cost basis, their carrying amount would have been £18,772,985 (2024 - £18,928,363).

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

Charity

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost/Valuation				
At 1 April 2024	17,234,000	482,237	34,483	17,750,720
Additions -	-	42,152	18,900	61,052
Disposals	0	-173,427	-14,261	(187,688)
At 31 March 2025	17,234,000	350,962	39,122	17,624,084
Depreciation				
At 1 April 2024	466,134	467,269	29,428	962,831
Charge for the year	155,378	36,950	14,505	206,833
Eliminated on disposals	0	-173,427	-14,262	(187,689)
At 31 March 2025	621,512	330,792	29,671	981,975
Net book value				
At 31 March 2025	16,612,488	20,170	9,451	16,642,109
At 31 March 2024	16,767,866	14,968	5,055	16,787,889

17. Heritage assets

Group

Heritage assets not recognised in the balance sheet

From 1 August 2013 the charitable company entered into a Loan and Management Agreement with the owner of the collections, Lakeland Arts Trust under which all responsibilities in relation to the collections including acquisition, disposal, preservation and management, transferred to Lakeland Arts. Lakeland Arts maintains a full inventory of all the collections held. This includes location and movements in and out of works of art and museum objects which, from time to time, may be loaned to/from other museums and galleries.

Summary of transactions

	2025 £	2024 £	2023 £	2022 £	2021 £
Purchases and additions:					
Ephemera	50	-	-	-	-
Contemporary Craft	38,600	-	-	-	-
Furniture	19,258	-	-	-	-
Paintings	-	900	-	-	-
Drawings	-	650	-	17,344	-
Maritime	-	-	100	10,000	-
Donations:					
Books	-	-	-	-	-
Ceramics	-	-	-	1,240	-
Costume	-	-	-	30	-
Craft	50	-	-	-	-
Drawings	100	-	-	5,430	-
Engravings	-	-	-	-	-
Ephemera	50	-	-	150	-
Industrial history	-	-	-	-	-
Paintings	1,500	-	-	14,000	214,000
Photographs	-	-	5	300	3,100
Sculpture	-	-	-	-	750,000
Social history	-	-	-	4,571	100
Textiles	-	-	200	-	-
Maritime	-	1,000	7,310	35,015	16,000
Furniture	-	1,100	-	105,080	-
Horology	-	-	-	-	-
Total additions	59,608	3,650	7,615	193,160	983,200

Charity

Heritage assets not recognised in the balance sheet

The permanent collections are held by Lakeland Arts Trust

For the purpose of reinstatement the value of all of the charitable company's Heritage assets, including buildings and land is estimated as £62.7m.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

18. Fixed asset investments

Group

	2025 £	2024 £
Investments	393,810	426,805
	393,810	426,805

Investments

	Listed Investments £	Total £
Cost or Valuation		
At 1 April 2024	426,805	426,805
Revaluation	3,605	3,605
Additions	-	-
Disposals	(36,600)	(36,600)
At 31 March 2025	393,810	393,810
Net book value		
At 31 March 2025	393,810	393,810
At 31 March 2024	426,805	426,805

Charity

	2025 £	2024 £
Shares in group undertakings and participating interests	2	2
	2	2

Shares in group undertakings and participating interests

	Subsidiary undertaking s £	Total £
Cost		
At 1 April 2024	2	2
At 31 March 2025	2	2
Net book value		
At 31 March 2025	2	2
At 31 March 2024	2	2

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of Incorporation	Holding	2025	2024	Principal activity
Subsidiary undertakings					
Lakeland Arts Enterprises Ltd	England	Ordinary	100%	100%	Operating tea rooms and gift shops

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

19. Stock

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Finished goods	19,859	24,986	-	-

20. Debtors

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade debtors	135,806	33,552	140,756	2,338
Due from group undertakings	16,300	-	16,300	20,618
Prepayments	95,238	128,127	95,238	128,126
Accrued income	-	193,375	-	193,375
VAT recoverable	-	7,233	-	5,524
Other debtors	-	2,811	-	2,811
	<u>247,344</u>	<u>365,098</u>	<u>252,294</u>	<u>352,792</u>

21. Cash and cash equivalents

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Cash on hand	10,188	32,267	10,188	32,267
Cash at bank	16,992	196,765	16,727	194,391
Short-term deposits	91	4,293	91	4,093
	<u>27,271</u>	<u>233,325</u>	<u>27,006</u>	<u>230,751</u>

22. Creditors: amounts falling due within one year

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Bank loans	6,211	6,256	6,211	6,256
Trade creditors	310,412	536,002	267,248	478,125
Hire purchase and finance leases	20,483	20,483	20,483	20,483
Other taxation and social security	28,722	30,381	28,722	30,381
Other creditors	43,718	12,034	43,718	12,034
Accruals	51,866	30,981	51,866	15,846
Deferred income	-	39,000	-	39,000
	<u>461,412</u>	<u>675,137</u>	<u>418,248</u>	<u>602,125</u>

Deferred income

	2025 £	2024 £
Deferred income at 1 April 2024	39,000	-
Resources deferred in the period	-	39,000
Amounts released from previous periods	(39,000)	-
Deferred income at year end	<u>-</u>	<u>39,000</u>

23. Creditors: amounts falling due after more than one year

	Group 2025 £	Group 2024 £ (As restated)	Charity 2025 £	Charity 2024 £ (As restated)
Bank loans	28,387	35,674	28,387	35,674
Trade creditors	65,942	-	65,942	-
Other loans	1,200,000	1,200,000	1,200,000	1,200,000
Hire purchase and finance leases	-	14,380	-	14,380
Other creditors	-	-	175,478	125,478
	<u>1,294,329</u>	<u>1,250,054</u>	<u>1,469,807</u>	<u>1,375,532</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

Group

Included in the creditors are the following amounts due after more than five years:

	2025	2024
	£	£
After more than five years by instalments	156,562	4,379
After more than five years not by instalments	1,200,000	1,200,000
	<u>1,356,562</u>	<u>1,204,379</u>

Charity

Included in the creditors are the following amounts due after more than five years:

	2025	2024
	£	£
After more than five years by instalments	3,545	4,379
After more than five years not by instalments	1,200,000	1,325,478
	<u>1,203,545</u>	<u>1,329,857</u>

Borrowings due after five years

The NHLF loan is secured on the Windermere Jetty Museum.

Under the Facility Agreement with the National Heritage Memorial Fund (dated 24 April 2019), the first repayment date falls on the fifth anniversary (24 April 2024). Repayments will only commence once Lakeland Arts achieves in-year operating profits in excess of £100k, with repayments calculated at 50% of the excess cashflows above this threshold.

Bank loans and overdrafts after five years

The bank loan is a bounce back loan extended to 10 years. The interest rate is 2.5% with capital repayments over 9 years from 6 July 2022 of £517.54 per month.

Other loans after five years

Lakeland Arts has borrowed £175,478 from the endowment fund investments held by the Lakeland Arts Trust. This comprises a loan of £125,478 advanced in November 2023 under a 20-year loan agreement at an interest rate of 7.4% per annum, together with an additional £50,000 advanced as a short-term loan in February 2025.

Subsequent to the year end, the Trustees of Lakeland Arts agreed to consolidate the two loans into a single arrangement. Under the revised terms, interest accrues until 31 March 2026, with monthly repayments of £2,065 commencing in April 2026 over the remaining term, with the loan repayable in full by November 2043.

24. Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £19,217 (2024 - £22,778).

Defined benefit pension schemes

Cumbria Local Government Pension Scheme

Lakeland Arts Trust is a member of the Cumbria Local Government Pension Scheme. This is a multi-employer scheme and the figures in these accounts are from the latest Mercer report on Lakeland Arts Trust's share of the scheme.

The date of the most recent comprehensive actuarial valuation was 31 March 2025.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £2,239 (2024 - £2,318).

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2025	2024
	£	£
Fair value of scheme assets	1,328,000	1,374,000
Present value of defined benefit obligation	(1,230,000)	(1,352,000)
Impact of asset ceiling	(15,000)	-
Defined benefit pension scheme surplus/(deficit)	<u>83,000</u>	<u>22,000</u>

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2025	2024
	£	£
Present value at start of year	(1,352,000)	(1,369,000)
Current service cost	(1,000)	(2,000)
Interest cost	(64,000)	(64,000)
Actuarial gains and losses	105,000	6,000
Benefits paid	82,000	77,000
Present value at end of year	<u>(1,230,000)</u>	<u>(1,352,000)</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2025	2024
	£	£
Fair value at start of year	1,374,000	1,347,000
Interest income	65,000	64,000
Return on plan assets, excluding amounts included in interest income/(expense)	(31,000)	38,000
Employer contributions	2,000	2,000
Benefits paid	(82,000)	(77,000)
Fair value at end of year	1,328,000	1,374,000

Analysis of assets

The major categories of scheme assets are as follows:

	2025	2024
	£	£
Cash and cash equivalents	20,000	21,000
Equity instruments	459,000	509,000
Government bonds	193,000	183,000
Property	104,000	110,000
Other	552,000	551,000
	1,328,000	1,374,000

Return on scheme assets

	2025	2024
	£	£
Return on scheme assets	(34,000)	(102,000)

The pension scheme has not invested in any of the group's own financial instruments or in properties or other assets used by the group.

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2025	2024
	%	%
Mortality rate	2	2
Discount rate	6	5
Future salary increases	4	4
Future pension increases	3	3
Inflation	3	3

Post retirement mortality assumptions

	2025	2024
	Years	Years
Current UK pensioners at retirement age - male	22	22
Current UK pensioners at retirement age - female	24	24
Future UK pensioners at retirement age - male	23	23
Future UK pensioners at retirement age - female	26	26

Multi-employer plans

This is a defined benefit plan.

25. Reserves

Group

	Pension reserve	Total
	£	£
At 1 April 2024	-	-
Other reserve movements	83,000	83,000
At 31 March 2025	83,000	83,000

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

(Prior year comparative)

	Pension reserve	Total
	£	£
At 1 April 2024	22,000	22,000
Other reserve movements	(22,000)	(22,000)
At 31 March 2024	-	-

The trustees have considered accounting for an LGPS pension surplus and the asset ceiling. The gross surplus of £98,000 has been reduced by the impact of the asset ceiling (£15,000), resulting in a net surplus of £83,000 being recognised. The trustees have reviewed the report provided by Mercer, which provides additional information relating to accounting surplus as of 16 July 2025. The present value of future accounting service cost exceeds the present value of primary contributions, therefore a surplus of £83,000 is recognised as an asset.

26. Commitments

Group

Capital commitments

The charity was committed to payments for particular exhibitions which had not been paid for at 31 March 2025. The total amount contracted for but not provided in the financial statements was £Nil (2024 - £23,750).

Charity

Capital commitments

The charity was committed to payments for particular exhibitions which had not been paid for at 31 March 2025. The total amount contracted for but not provided in the financial statements was £Nil (2024 - £23,750).

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

27. Funds

Group

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2025 £
Unrestricted funds						
General						
General funds	(433,533)	2,724,125	(2,887,479)	4,293	-	(592,594)
Designated						
Pension scheme deficit	-	-	-	-	83,000	83,000
Total unrestricted funds	(433,533)	2,724,125	(2,887,479)	4,293	83,000	(509,594)
Restricted funds						
Windermere Jetty Construction	16,767,866	-	(155,378)	-	-	16,612,488
Windermere Jetty Capital	113,216	-	-	-	-	113,216
NLHF loan	(1,200,000)	-	-	-	-	(1,200,000)
Collections Fund - Boats	149	-	(149)	-	-	-
Deaccessioning & Disposal Income - Collection Acquisition	-	318	-	-	-	318
Blackwell Endowment	-	12,795	(12,795)	-	-	-
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Social Enterprise Funding	7,306	-	(7,306)	-	-	-
Sir Nicholas Goodison Award	20,437	39,000	(40,123)	-	-	19,314
AH Nature & Partnership Grant	20,000	-	(20,000)	-	-	-
AH Participation & learning	3,609	5,000	(8,609)	-	-	-
Boat conservation grants	1,000	-	-	-	-	1,000
Going Places Grant	500	475	(975)	-	-	-
DCMS/Wolfson Climate Gallery	1,429	-	(1,429)	-	-	-
The John Ellerman Foundation	11,022	13,254	(16,220)	-	-	8,056
Esmée Fairbairn Foundation	33,750	-	(72,750)	-	-	(39,000)
Restricted Legacy Income	50,000	66,667	-	-	-	116,667
Wet Dock repairs and Conservation Activities	-	4,000	(4,000)	-	-	-
Helping Hands Access Fund	-	1,000	(1,000)	-	-	-
Bailie Scott Dresser	-	10,567	(10,567)	-	-	-
Finance Costs Support	-	15,000	(15,000)	-	-	-
Jan Ambler - IMO Tony Ambler - Blackwell Building Repairs	-	31,250	(12,226)	-	-	19,024
Total restricted funds	15,831,447	199,326	(378,527)	-	-	15,652,246
Permanent						
Blackwell Endowment	515,000	-	-	(4,293)	4,293	515,000
Total funds	15,912,914	2,923,451	(3,266,006)	-	87,293	15,657,652
(Prior year comparative)						
	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2024 £
Unrestricted funds						
General						
General funds	94,914	2,547,054	(3,117,501)	41,499	500	(433,534)
Designated						
Pension scheme deficit	(22,000)	-	-	-	22,000	-
Total unrestricted funds	72,914	2,547,054	(3,117,501)	41,499	22,500	(433,534)
Restricted funds						
Windermere Jetty Construction	16,923,244	-	(155,378)	-	-	16,767,866
Windermere Jetty Capital	113,216	-	-	-	-	113,216
NLHF loan	(1,200,000)	-	-	-	-	(1,200,000)
Collections Fund	5,000	-	(4,851)	-	-	149
Blackwell Endowment	-	19,827	(19,827)	-	-	-
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Exhibitions and Collections	-	5,000	(5,000)	-	-	-
Social Enterprise Funding	7,306	-	-	-	-	7,306
Sir Nicholas Goodison Award	-	21,000	(563)	-	-	20,437
AH Nature & Partnership Grant	-	20,000	-	-	-	20,000
AH Participation & learning	-	5,000	(1,391)	-	-	3,609
Boat conservation grants	-	43,750	(42,750)	-	-	1,000
Going Places Grant	-	500	-	-	-	500
DCMS/Wolfson Climate Gallery	-	40,485	(39,056)	-	-	1,429
The John Ellerman Foundation	-	13,055	(2,034)	-	-	11,021
Esmée Fairbairn Foundation	-	40,000	(6,250)	-	-	33,750
Amy Williams Workshops	-	1,982	(1,982)	-	-	-
Museums Association	-	150	(150)	-	-	-
Restricted legacy income	-	50,000	-	-	-	50,000
Total restricted funds	15,849,929	260,749	(279,232)	-	-	15,831,446
Permanent						
Blackwell Endowment	547,860	-	(19,651)	(41,499)	28,290	515,000
Total funds	16,470,703	2,807,803	(3,416,384)	-	50,790	15,912,912

The Esmée Fairbairn Collections Care Programme shows a deficit of £39,000 at the balance sheet date. This arises from a timing difference between expenditure incurred in delivering the programme and the receipt of the related grant funding. A grant of £40,000 was received from the Esmée Fairbairn Foundation on the 6th May 2025, bringing the fund into surplus. No transfer from unrestricted funds is required.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

Charity

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	31 March 2025 £
Unrestricted funds				
General				
General funds	(437,669)	1,932,819	(2,114,041)	(618,891)
Restricted funds				
Windermere Jetty Construction	16,767,866	-	(155,378)	16,612,488
Windermere Jetty Capital Funds	113,216	-	-	113,216
NHLF loan	(1,200,000)	-	-	(1,200,000)
Collection funds - Boats	149	-	(149)	-
Deaccessioning & Disposal Income - Collection Acquisition	-	318	-	318
Boat Conservation Funds	1,000	-	-	1,000
DCMS/Wolfson Climate Gallery	1,429	-	(1,429)	-
Social Enterprise Funding	7,306	-	(7,306)	-
Esmée Fairbairn Foundation	33,750	-	(72,750)	(39,000)
Aurelius Trust (Blackwell Library)	1,163	-	-	1,163
Sir Nicholas Goodison Award	20,437	39,000	(40,123)	19,314
AH Nature & Partnership Grant	20,000	-	(20,000)	-
AH Participation & Learning	3,609	5,000	(8,609)	-
The John Ellerman Foundation	11,022	13,254	(16,220)	8,056
Going Places Grant	500	475	(975)	-
Restricted legacy Income	50,000	66,667	-	116,667
Wet Dock repairs and Conservation Activities	-	4,000	(4,000)	-
Helping Hands Access Fund	-	1,000	(1,000)	-
Baillie Scott Dresser	-	10,567	(10,567)	-
Finance Costs Support	-	15,000	(15,000)	-
Jan Ambler - Blackwell Building Repairs	-	31,250	(12,226)	19,024
Total restricted funds	15,831,447	186,531	(365,732)	15,652,246
Total funds	15,393,778	2,119,350	(2,479,773)	15,033,355

28. Analysis of net assets between funds

Group

	Unrestricted funds General £	Restricted funds £	Endowment funds Permanent £	Total funds at 31 March 2025 £
Tangible fixed assets	(145,857)	16,612,488	-	16,466,631
Fixed asset investments	-	-	569,288	569,288
Current assets	137,716	239,758	-	377,474
Current liabilities	(461,412)	-	-	(461,412)
Creditors over 1 year	(94,329)	(1,200,000)	-	(1,294,329)
Total net assets	(563,882)	15,652,246	569,288	15,657,652

	Unrestricted funds General £	Unrestricted funds Designated £	Restricted funds £	Endowment funds Permanent £	Total funds at 31 March 2024 £
Tangible fixed assets	20,023	-	16,767,866	-	16,787,889
Fixed asset investments	-	-	-	426,805	426,805
Current assets	271,634	-	263,580	88,195	623,409
Current liabilities	(675,137)	-	-	-	(675,137)
Creditors over 1 year	(50,054)	-	(1,200,000)	-	(1,250,054)
Total net assets	(433,534)	-	15,831,446	515,000	15,912,912

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2025

Charity

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2025 £
Tangible fixed assets	29,621	16,612,488	16,642,109
Fixed asset investments	2	-	2
Current assets	15,720	263,580	279,300
Current liabilities	(418,248)	-	(418,248)
Creditors over 1 year	(269,807)	(1,200,000)	(1,469,807)
Total net assets	(642,712)	15,676,068	15,033,356

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2024 £
Tangible fixed assets	20,023	16,767,866	16,787,889
Fixed asset investments	2	-	2
Current assets	319,963	263,580	583,543
Current liabilities	(602,125)	-	(602,125)
Creditors over 1 year	(175,532)	(1,200,000)	(1,375,532)
Total net assets	(437,669)	15,831,446	15,393,777

29. Analysis of net funds

Group

	At 1 April 2024 £	Financing cash flows £	At 31 March 2025 £
Cash at bank and in hand	230,751	(203,745)	27,006
Debt due within one year	(6,254)	44	(6,210)
Debt due after more than one year	(1,250,054)	21,666	(1,228,388)
Finance leases and hire purchase contracts	(34,863)	14,380	(20,483)
Net debt	(1,060,420)	(167,655)	(1,228,075)

	At 1 April 2023 £	Financing cash flows £	At 31 March 2024 £
Cash at bank and in hand	165,786	67,059	232,845
Debt due within one year	(7,410)	1,156	(6,254)
Debt due after more than one year	(1,409,543)	159,489	(1,250,054)
Finance leases and hire purchase contracts	-	(34,863)	(34,863)
Net debt	(1,251,167)	192,841	(1,058,326)

30. Related party transactions

Group

There were no related party transactions in the year.

Charity

There were no related party transactions in the year.

Accounts

Company registration number: 8162578

Charity registration number: 1153001

Lakeland Arts

(A company limited by guarantee)

Annual Report and Financial Statements

for the Lakeland Arts Group

for the Year Ended 31 March 2024

Stables Thompson & Briscoe
Chartered Accountants & Statutory Auditor
Lowther House
Lowther Street
Kendal
LA9 4DX

Lakeland Arts

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Lakeland Arts

Reference and Administrative Details

Chair	D Reid MCIOF
Trustees	M Benjamin A Black S A Crewe K M Howarth A Karwa E Kentley K J S Knight T A Leach A M Lyles D Reid MCIOF G F Rycroft E J Scott
Secretary	A Karwa
Senior Management / Leadership Team	L Martins, Interim Chief Executive L Garrett Hampson, Head of Marketing and Communications C James, Head of Finance H Stalker, Associate Head of Curatorial and Engagement
Charity Registration Number	1153001
Company Registration Number	8162578
	The charity is incorporated in England.

Lakeland Arts

Reference and Administrative Details

Registered Office	Abbot Hall Gallery Kirkland Kendal LA9 5AL
Auditor	Stables Thompson & Briscoe Chartered Accountants & Statutory Auditor Lowther House Lowther Street Kendal LA9 4DX
Solicitors	Baines Wilson Unit 3 Lancaster Business Park 10 Mannin Way Lancaster LA1 3SW
Bankers	Barclays Bank Plc 9 Highgate Kendal LA9 4DF

Lakeland Arts

Strategic Report for the Year Ended 31 March 2024

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2024, in compliance with s414C of the Companies Act 2006.

Chair's Foreword Annual Report 23-24

2023-24 was a transformative year for Lakeland Arts, filled with challenges, opportunities, and transitions. It marked the first year of a new three-year grant agreement with Arts Council England and the launch of a two-year funding partnership with the Esmée Fairbairn Foundation-key steps towards securing a brighter future.

As we continued to recover from the long-term impacts of the Covid-19 pandemic on visitor numbers and recruitment, we navigated additional hurdles, including the pressures of double-digit inflation. Yet, we saw these challenges galvanize our trustees, staff, volunteers, and supporters, culminating in the successful reopening of Abbot Hall after a three-year closure for development-a testament to the resilience and dedication of our community.

Abbot Hall reopened in May 2023 with a major exhibition by Scotland based land artist Julie Brook. Featuring film, drawing and photography created over a decade in the Outer Hebrides, Japan and Cumbria, the exhibition celebrated the creative links between landscape and art. The opening also saw the launch of Lakeland Arts on the Bloomberg app, making objects from our collections and exhibitions accessible online.

As one of several cost-saving measures, the gallery's regular winter closure for collections care was extended. Abbot Hall reopened in February 2024, with new Art Herbarium and Portrait Galleries as well as the redisplay of favourite objects from our permanent collection.

At Blackwell, the stunning *Halima Cassell: Reflections* exhibition celebrated a contemporary maker working within the ethos of the Arts & Crafts Movement. The show featured over 60 beautiful clay sculptures alongside sketches, drawings, collages and wallpapers. Also at Blackwell, we were delighted when curator Naomi Gariff became the first ever recipient of the Nicholas Goodison Award, enabling us to expand our unique collection of contemporary craft and deepen our understanding of objects already in the collection.

Windermere Jetty Museum began the year with the popular *Forty Farms* photographic display highlighting the innovation and resilience of the Lake District farming community. The family focused spring and summer programme included the Windermere Science Festival and a new exhibition of *LEGO Lake District* by Jon Tordoff. Alongside this, heritage boat trips and daily conservation conversations gave visitors exclusive behind-the-scenes insights into the highly skilled specialist work done by our historic boat conservation team.

The Blackwell Tea Room and Lakeshore Café at Windermere Jetty Museum continued to delight visitors with new and high quality menus, and we opened a combined Creative Space and Coffee Bar at Abbot Hall. We also tried out new income streams such as film location hire, weddings and lake activities.

During 2023-24, the transition from operating two to three museums alongside global cost increases and challenges to the visitor economy placed significant pressure on Lakeland Arts' finances. To safeguard long term financial stability, the organisation implemented several measures, including the sale of the Old Grammar School building and the continued closure of our fourth site the Lakeland Museum. These actions enabled Lakeland Arts to maintain its artistic and engagement programmes alongside income-generating activities.

Our collaborations with partners in the Cumbria Museum Consortium, steadfast supporters like Arts Council England, and the newly-established Westmorland & Furness Council remain a vital resource. This year also welcomed new funding partners, including the Esmée Fairbairn Foundation, alongside the generosity of our members, Patrons, Benefactors, and donors. To them, and to our hardworking staff, volunteers, and trustees, I extend my heartfelt gratitude for their tireless commitment and shared vision.

Lakeland Arts

Strategic Report for the Year Ended 31 March 2024

As we look ahead to 2024, we are optimistic about the opportunities that lie before us. With renewed energy and enduring partnerships, we are excited to continue sharing Lakeland Arts' remarkable collections with audiences today and in the generations to come.

Diane Reid

Chair, Lakeland Arts

FINANCIAL REVIEW

In 23-24 income generated totalled £2.81M of which £2.55M was unrestricted and £260K was restricted this was a small decrease on the 2022-23 income which was £2.8M where the unrestricted income was £2.6M and the restricted income was £200K.

In 2023-24 the fundraising target was £610,333. This included a target of £429,626 for core budget relieving activity, plus an additional £180,707 for anticipated non-core budget relieving revenue and capital projects. Aside from legacy income, fundraising income was almost entirely for restricted grants and projects with membership contributing to core costs at just over £60k.

Total resources expended were £3.416M, which is an increase on 2022-23 which was £3.268M.

At 31st March 2024 the carried forward restricted funds balance is reporting a surplus of £15.83M and the carried forward unrestricted funds balance is reporting a deficit of £434K.

Policy on reserves

Although the board aspires to build reserves equating to two month's unrestricted charitable expenditure, in accordance to the Reserves Policy, this was not achieved in 2023-24.

Principal funding sources

The principle sources of funding for the costs of operating Blackwell, Windermere Jetty Museum and Abbot Hall are earned income, Arts Council England, various grants, investment income, membership fees, donations and Gift Aid.

Investment policy and objectives

The charitable company has the power to make investments as it sees fit. The investment policy determined by the trustees for the endowment funds is to provide a balanced return from a broad spread of medium risk investments, and for general funds to provide a higher income from a spread of lower risk investments.

The investment policy is implemented by professional investment managers Sarasin & Partners LLP.

Lakeland Arts

Strategic Report for the Year Ended 31 March 2024

Principal risks and uncertainties

Major risks

All significant activities undertaken by Lakeland Arts are subject to a comprehensive risk review as part of the project assessment and implementation process. Major risks are identified and ranked based on their potential impact and likelihood. For this purpose, major risks are defined as those that could significantly affect:

- Operational performance, including risks to staff, volunteers, and visitors
- Achievement of strategic aims and objectives;
- Fulfilment of expectations among beneficiaries, supporters, and stakeholders.

The trustees conduct ongoing reviews of these risks and ensure that robust systems and procedures are in place to manage them effectively. If appropriate, risks are mitigated through insurance cover. The organisation employs the following framework to ensure a thorough approach to risk management:

- Regular monitoring of major risks and the development of disaster recovery plans
- Integrating risk identification and assessment into operational procedures
- Maintaining a clear structure of delegated authority and control; and
- Seeking to preserve financial reserves in accordance with established policies.

While acknowledging that some initiatives may require the acceptance and management of risk to achieve key objectives, the trustees have identified and implemented mitigation strategies for major risks under the following categories:

- Governance
- Operational
- Financial
- Environmental
- Compliance.

The strategic report was approved by the trustees of the charity on 23 January 2025 and signed on its behalf by:



.....
D Reid MCIOF
Chair and trustee

Lakeland Arts

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2024.

Trustees and Officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	E M Astle (resigned 7 October 2023) M Benjamin A Black (appointed 1 March 2024) S A Crewe K M Howarth A Karwa E Kentley K J S Knight (appointed 24 November 2023) T A Leach (appointed 7 October 2023) A M Lyles J Mottram PhD (resigned 15 April 2024) D Reid MCIOF G F Rycroft E J Scott N W R Thompson (resigned 7 October 2023)
Chair:	D Reid MCIOF
Secretary:	A Karwa C Kennedy (resigned 20 December 2023)
Senior Management / Leadership Team:	R Harris (resigned 17 July 2024) L Martins (appointed 17 July 2024) L Garrett Hampson C Kennedy (resigned 15 December 2023) J Taylor-Heys (appointed 15 January 2024 and resigned 30 May 2024) C James (appointed 1 October 2024) C Robinson (resigned 2 November 2023) B Muir (resigned 31 March 2024) A Saczek (resigned 11 September 2024) H Stalker (appointed 1 April 2023 and resigned 31 January 2024) H Stalker (appointed 1 July 2024)

Lakeland Arts

Trustees' Report

Objectives and activities

Objects and aims

Our vision is to harness the power of culture alongside artistic creativity, breathtaking landscape and rich heritage, to transform lives and enrich communities.

We bring this vision to life through exceptional museums, diverse collections, innovative programming and a passionate and knowledgeable team, all deeply rooted in a strong sense of place. Our work is firmly embedded in the local community and has a transformative impact on the visitors and audiences we serve.

Strategic Objectives:

In 2023-24 we entered the second year of delivering our mission, which is guided by four key objectives. These objectives are essential to strengthening Lakeland Arts' position as one of the most distinguished cultural and heritage organisations in the North of England.

Strategic Objective 1: Curating and Caring

We are committed to developing and caring for our collections and fostering new ideas, ensuring that people from all backgrounds, both near and far, can explore and draw inspiration from our world-class art and heritage programme.

Strategic Objective 2: Reaching Wider

We aim to broaden our reach by becoming better known and more accessible to a diverse range of visitors. This involves clearly communicating who we are and tailoring our approach to attract and engage varied audiences.

Strategic Objective 3: Engaging and Empowering

We will cultivate a culture of care, respect and inclusion, placing people at the heart of our organisation. Our museums are spaces for storytelling, dialogue and meaningful exchange, encouraging debate and discussion.

Strategic Objective 4: Sustainable and Resilient

We are building for the future by becoming a more dynamic, financially secure, environmentally responsible and socially sustainable organisation.

Through these objectives, we continue to inspire, connect and contribute to our community while championing the unique cultural heritage of Lakeland.

Objectives, strategies and activities

Our Activities

Context

The year 2023-24 marked the beginning of a three year National Portfolio funding agreement between Arts Council England and Cumbria Museum Consortium (CMC), comprising of Lakeland Arts, Tullie and Wordsworth Grasmere. Additionally, the Consortium concluded the final year of the Department for Culture Media and Sport (DCMS) funded the *Helping Hands* project, a transformative two year initiative aimed at enhancing volunteering opportunities and fostering greater inclusivity in Cumbria's arts and cultural sector.

Lakeland Arts

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A significant focus during the year was building relationships with funders, including the Esmée Fairbairn Foundation and establishing Abbot Hall as a landmark venue for innovative programming and collaborative partnerships.

Like many other cultural organisations with a significant reliance on the tourist economy, Lakeland Arts faced macroeconomic pressures, including inflation, which increased operational costs and impacting consumer behaviour. To adapt, admissions pricing was reviewed across museums in January 2024.

Recruiting staff of a high calibre continued to prove difficult post pandemic and the organisation struggled to shift from two to three open museums. As a result, the organisation suffered a high staff attrition rate in 2023-24 and continued to depend more on freelance consultants throughout the year.

Consumer confidence in 2023-24 remained fragile, shaped by ongoing economic volatility and broader societal challenges. Persistent inflation and the rising cost of living led to cautious spending habits, directly affecting visitor numbers and average spend per person. Recruitment challenges, a legacy of the pandemic, further compounded operational difficulties, as organisations across the cultural sector, including Lakeland Arts, struggled to attract and retain skilled staff. High attrition rates and reliance on freelance consultants became the norm, affecting continuity and team cohesion.

Additionally, workers' strikes across transport sectors, frequent flight and train cancellations and extreme weather events disrupted travel plans, limiting access for potential visitors. Together, these factors contributed to a cautious consumer environment, where uncertainty curtailed discretionary spending and visitation patterns, which was felt across the entire country.

Despite these substantial challenges, Lakeland Arts successfully delivered an exceptional programme, underscoring its commitment to providing high quality cultural experiences.

Programming highlights

Exhibitions

BLACKWELL

Amy Williams, *Unearthed*, January-June 2023

Starting off the 2023-24 programme year was *Unearthed*, a vibrant installation by Kendal-based visual artist Amy Williams. The installation celebrated ten extraordinary women through an oversized paper botanic garden inside the galleries at Blackwell. The exhibition featured local flora as symbols of remembrance, femininity, resilience and resistance.

Produced with local community groups over a six-month period, *Unearthed* illuminated lesser known stories of Cumbrian women throughout history who brought about positive social change. Through a series of workshops, Williams collaborated with local organisations to create a 'community garden' of smaller paper flowers and shared stories of extraordinary Cumbrians.

The project was supported by the paper mill James Cropper plc as well as the Westmorland Arts Trust Fund via Cumbria Community Fund.

Lakeland Arts

Trustees' Report

Halima Cassell: Reflections, July 2023-January 2024

Reflections showcased over 60 individual geometric and architectural sculptures cascaded throughout the house, each handmade by Cassell in the eleven years since her first exhibition at Blackwell in 2012. The exhibition highlighted the artist's preparatory and making process with sketchbooks, collages, drawings, studio footage and live demonstrations alongside the remarkable artworks.

The exhibition explored connections between nature, materials and craft, linking to the ethics underpinning the Arts & Crafts Movement. Cassell's work also demonstrated the significance of symmetry in design, drawing and carving, echoing the Arts & Crafts Movement and many of the design elements of Blackwell, giving a nod to the upcoming exhibition by William De Morgan.

Cassell spoke about her work and her process on film and in events at Blackwell, including a live demonstration. Local schools and visitors to Blackwell were invited to create symmetrical drawings and collages inspired by the exhibition.

Lorna Singleton, *New Year New Maker*, January 2024

Every year we platform contemporary makers from across the United Kingdom (UK) whose practice champions traditional handicrafts that reflects the ethos of the Arts & Crafts Movement. This year we showcased Lorna Singleton, a basket weaver based in Grizedale, Cumbria. Singleton's craft is steeped in heritage and embraces the regional tradition of making swill or spelk baskets. She is one of the last two remaining swill basket makers in the UK, making her craft critically endangered.

Singleton grows and harvests the raw materials for her baskets from local woodland, a process known as coppicing. The coppiced wood is soaked in large vats of water until the wood becomes malleable. The wood is then cut and shaved down to create equal width strands for weaving.

A short documentary film was made of Singleton discussing her craft and creating work in her Cumbrian studio.

Sublime Symmetry: William De Morgan, February 2024-ongoing

At the end of the financial year, the exhibition *Sublime Symmetry: William De Morgan* opened at Blackwell in partnership with the De Morgan Foundation. The exhibition featured 60 pots, tiles and vases from the De Morgan Collection, including examples of De Morgan's designs inspired by animals and Islamic art. *Sublime Symmetry* looked beyond the glazed surface of De Morgan's ceramics to the mathematical principles underpinning his work. The exhibition included a self-led educational guide for key stage two students and family activities exploring symmetry in design.

Curator and Director of the De Morgan Museum, Sarah Hardy, gave public talks and tours of the exhibition.

WINDERMERE JETTY MUSEUM

Forty Farms, March-June 2023

At the start of April 2023, Windermere Jetty Museum had *Forty Farms* on display, an exhibition by British Life Photographer of the Year, and Cumbrian farmer, Amy Bateman. *Forty Farms* offered a unique insight into the everyday lives, fears and hopes of 40 extraordinary farmers, through photography, products, film and words to create an immersive experience.

A series of photography workshops and talks accompanied the exhibition.

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LEGO Lake District, July-October 2023

The LEGO Lake District display opened at Windermere Jetty Museum for summer 2023 for our family audience. The display included an impressive ten square metre long replica of the Lake District made by LEGO bricks built by artist Jon Tordoff, highlighting the landscape of the Lake District in a unique way. The model featured fells, woodlands, lakes and waterfalls and continued to grow during its time at Windermere Jetty Museum. A family friendly trail was introduced throughout the whole museum site to encourage visitors to explore the lake shore.

Alongside the display were daily self led activities, plus a series of workshops for families and enthusiasts of all ages, including Live Build sessions with artist Jon Tordoff. A family day featured local community organisation stalls and LEGO models from other enthusiasts including a detailed replica of Windermere.

Little LICAF, September-October 2023

Lakeland Arts partnered again with Lakes International Comic Arts Festival to host the family section of the festival, Little LICAF. The family festival aims to get young people and their parents involved with comic arts by encouraging them to get creative and give drawing a go.

Displays were on show throughout the museum and Old Fire Station outbuilding. Stalls and workshops ran throughout the weekend to encourage drawing and feature artists' work as well as the festival's work within local schools.

Jocelyn McGregor, Dredged, October-December 2023

As part of our commissioning project for Arts Council England, local artist Jocelyn McGregor was asked to create work inspired by Windermere to be put on display at Windermere Jetty Museum. The outcome was *Dredged*, a surreal work which delved into the space between nature and the human world, between land and water, dark and light in the context of the global climate crisis.

McGregor, an award-winning sculptor, created anthropomorphic creatures from salvaged materials. Working with the Dove Cottage Poets, McGregor explored Cumbrian folklore and the stories behind the museum's collection. Live performances and film brought the stories to life.

Microworld, January 2024-ongoing

Inspired by ecosystems and designed for all ages, *Microworld* is an immersive digital play space that adapts to visitors as they interact with it. *Microworld* invites visitors to step into a surreal world where creatures and the visitor interact with each other.

Created by Genetic Moo and produced by Lumen Art Projects, the installation has offered visitors of all ages an opportunity to play and consider their impact on the world around them.

ABBOT HALL

Julie Brook, What is it That Will Last?, May-December 2023

Abbot Hall reopened in May 2023 with an exhibition by British land artist Julie Brook, *What is it That Will Last?*

The reopening exhibition spanned the entire art gallery and included film, drawings and photography spanning decades and including works made in the Outer Hebrides, the Ishikawa Prefecture, Japan and in Cumbria. The show featured the artist's process and painstaking labour in creating large scale sculptural interventions in remote landscapes, expressing the invisible forces - gravity, time and tide - which govern our lives.

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The exhibition was complemented by several pieces from the Abbot Hall collection including works by Frank Auerbach, Barbara Hepworth, John Piper, John Ruskin, JMW Turner and Elizabeth Frink as well as a new public sculpture created by Julie Brook at Holker Hall.

Brook worked with Lakeland Arts to produce local school and community group workshops, gave tours and spoke at events in the gallery including a Q&A event with Robert Macfarlane in collaboration with Kendal Mountain Festival.

A book, *What is it That Will Last? Land and Tidal Art of Julie Brook* published by Lund Humphries was made to coincide with the exhibition.

Art Herbarium, February 2024-ongoing

Abbot Hall's most intimate gallery presents an immersive exhibition of nature in art, displaying a selection from our own rich collection. The light filled gallery gathers drawings, paintings and digital work depicting flora and fauna by artists including Winifred Nicholson and Percy Kelly amongst others. The quiet space offers visitors a peaceful moment in nature to consider biodiversity and its connection to health and wellbeing.

Portrait Galleries, February 2024-ongoing

Setting a tone of welcome, inclusion and conversation, Abbot Hall's ground floor galleries connect visitors and local communities to our extraordinary collection. These galleries tell diverse stories of people, their lived experiences, conflicts and commonalities. Highlights from the collection include Kurt Schwitters, Celia Paul, Hilde Goldschmidt, Lucian Freud, Charmaine Watkiss, Stanley Spencer, Joan Eardley, George Romney and Victor Pasmore.

Kendal based artist Lela Harris was invited to exhibit two of her works and supported the team with workshops for local students.

Gilbert Spencer, March 2024-ongoing

Launching at the very end of 2023-24, this exhibition, made in partnership with Lis Llewellyn Fine Art, brought together Gilbert Spencer's major paintings for the first time in over 50 years, showcasing his remarkable preparatory studies and full range of illustrative art.

The exhibition considered Spencer's status within 20th century British modernism and examined his work in the context of the revival of the British landscape tradition, as well as the important role he played in the reinvigoration of public mural painting.

In 1940, Gilbert Spencer was evacuated from London along with several of his students from Royal College of Art. They were sent to nearby Ambleside where they became a colourful presence in the wartime village. A section of the exhibition focused on Spencer's time in Cumbria, developed in collaboration with locals Russell Mills and Deborah Walsh, curator and author of *Bohemians in Exile: The Royal College of Art in Ambleside 1940-1945*.

Claude Cahun, Beneath this mask, March 2024-ongoing

This exhibition, also opening at the end of the 2023-24 year, featured the work of French photographer Claude Cahun (1894-1954), whose practice investigates gender and identity. This Hayward Touring exhibition contains 42 contemporary giclee prints made from scans of Cahun's original photographic self portraits, as the majority of the negatives were lost.

The photographic series explores the artist's alignment to the Surrealist movement, relationship with herself and gender and the subversion of traditional portraiture after she fled Nazi occupation in France.

Lakeland Arts

Trustees' Report

Participation and learning

During the 2023-24 period, Lakeland Arts delivered a range of participatory projects across our sites and the wider community, engaging various stakeholders through our learning programme. In total, we collaborated with:

- Over 1,200 pupils through 36 school workshops
- Approximately 2,700 young people and their families through informal learning programmes

Below are examples of the impactful projects delivered during this period:

Windermere Science Festival

For the second year, Lakeland Arts partnered with the Windermere Science Festival, now held in May rather than March. This vibrant weekend event offered local schools, students, community members, and visitors the chance to explore diverse aspects of science and discover the joy of Science Technology Engineering Arts and Maths (STEAM) learning.

Forge Festival

As a major partner in the three year Forge Festival project led by The Knotted Project and co funded by Arts Council England, Lakeland Arts provided funding and performance spaces to support this initiative.

The project addressed a gap identified through research, which found that young people aged 16-24 in Cumbria felt a lack of creative opportunities. Many participants were neurodivergent or experienced low confidence. Through workshops, they developed social connections, gained confidence, and created original performances and music with guidance from industry professionals.

In April 2023, performances were held at Windermere Jetty Museum, and preparations for the 2024 festival, focused on climate justice and hosted at Abbot Hall, began in February 2024.

The Land Within

This participatory project engaged primary aged students from Kendal in a series of workshops inspired by the artwork of Charmaine Watkiss. Year 5 and 6 students created self portrait photographs exploring themes of identity, ancestry, and nature, informed by Watkiss' exploration of the transatlantic slave trade.

Follow up workshops in 2024 extended the programme into the gallery space at Abbot Hall and formed the basis of its long term school programme.

CliMART

CliMART empowered young people across Cumbria to explore art as activism, focusing on climate justice. Lakeland Arts partnered with organisations including Cumbria Development Education Centre's (CDEC) Young Climate Leaders programme, Cumbria Action for Sustainability (CAfS) Climate Café, and the South Lakes Youth District Council.

As part of the project, young people participated in zine making workshops, where they expressed their views on climate issues and the human impact on the planet.

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MART Creatives

This initiative aimed to establish long term creative partnerships with schools in Cumbria, enriching their curriculum by engaging with Lakeland Arts' collection. Participating schools experienced:

- Self guided visits to Lakeland Arts' sites
- Hands on workshops inspired by the collections, held both at Blackwell and in schools
- An exhibition of student work at Blackwell

In 2023-24, MART Creatives included Our Voice, an extended collaborative project involving Students with Educational Needs (SEN) from Sandgate School in Kendal.

MEND

MEND is a community focused initiative bringing creative activities to rural villages, tackling isolation, and raising awareness of arts and heritage. Using the MEND van, Lakeland Arts participated in events such as:

- Stealing Thunder Storytelling Festival
- Barrow Festival of Transport
- Kendal Pride Festival.

These diverse projects exemplify Lakeland Arts' commitment to fostering creativity, inclusion, and engagement across the region.

Collections and Displays

Acquisitions

There were six acquisitions into the Lakeland Arts collection:

1. 'Dobbin' a carved walnut rocking horse by Harry Simpson, donated by Christopher Solomon, June 2023
2. 'Between Two Suns' a painting by Lela Harris, purchased January 2024
3. 'Rosina' a drawing by Lela Harris, purchased January 2024
4. 'Iris' an electric launch build by Tim Hayton, donated by the Keswick Launch Company, February 2024
5. A children's chair by William Birch Ltd, donated by Sheila Files, February 2024
6. 'The Sower' a painting by Alec Karn, donated by the late Evelyn Karn, with Art Fund Support, March 2024

Collection items loaned out

Exhibition Loans Outgoing (England)

Borrowing Institution	Quantity
MIMA, Middlesbrough	1
Armitt, Ambleside	1
TOTAL	2

Exhibition Loans Outgoing (rest of UK)

Borrowing Institution	Quantity
None	-
TOTAL	-

Exhibition Loans Outgoing (International)

Borrowing Institution	Quantity
TOTAL	-

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Collection care and documentation

• An interim collection curator was in post from August 2023 to February 2024, following the departure of our previous collection curator. A new permanent collections manager came into post in May 2024.

• The curatorial team began a John Ellerman funded project to audit and rationalise the social history collections of the Lakeland Museum, and a number of Lakeland Arts' storage units, with the assistance of occasional volunteers. This work is ongoing, but around 150 object records have been updated on Modes.

• The curatorial team continued to undertake regular conservation cleaning at Blackwell and Windermere Jetty Museum.

Boat collection conservation

We continue to develop specialist maritime heritage conservation skills at Windermere Jetty Museum.

Throughout 2023-24 the team has maintained Lakeland Arts' outdoor, floating and operating fleet and has continued with dedicated projects to conserve and restore specific boats from the collection.

The project work has included:

- Recovery and conservation of the electric launch *Iris* (circa 1905)
- Fabricating and installing a movable cradle for SL *Esperance*
- Fitting exhausts and windscreen to racing hydroplane *K184*
- Reconditioning and commissioning a Sissons engine (circa 1902) for SL *Osprey*
- Commissioning a boiler for SL *Lady Elizabeth* (circa 1900)

Earned income

The commercial activities of Lakeland Arts are managed by Lakeland Arts Enterprises Ltd, the charity's wholly owned trading subsidiary. This entity undertakes all non primary charitable operations, donating its net income to the charity annually.

Efforts to increase commercial revenue continued through retail, catering, and private hire while trialling new income streams such as weddings, film location hire, water activities and commercial boat work. However, limited funds for testing new initiatives resulted in growth insufficient to offset broader organisational challenges.

Exhibitions like *Forty Farms* and the *LEGO Lake District* display attracted higher admissions, contributing significantly to earned income, despite lower than expected tourist numbers in the Lake District.

Earned income from Lakeland Arts Enterprises increased to £1.049M in 2023-24 compared with 2022-23 which was £764K.

Heritage boat trips

Daily boat trips, operating from April through October 2023, were conducted exclusively aboard *Penelope II* as major boiler and engine repairs were carried out on *Osprey*. These trips remained popular, welcoming over 5,300 passengers and accommodating an additional 20 exclusive charters.

Winter operations focused on private hire due to staffing challenges and escalating fuel costs for both vessels. Despite these hurdles, heritage boat trips generated a net income of £47,646 for the year.

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Catering

Staffing shortages and significant food inflation posed challenges for catering operations across all sites. Nevertheless, progress was made:

- At Windermere Jetty Museum, new equipment was introduced, and seasonal menus were implemented at the Lakeshore Café, improving service and flexibility
- At Blackwell, a reduced offer was introduced due to staff capacity limitations, providing an opportunity to reassess and relaunch in 2025
- At Abbot Hall, the Creative Space and Coffee Bar opened in May 2023 with a simple menu of hot drinks and baked goods, with plans to expand based on demand.

Overall, 2023-24 catering income was £700K an increase in comparison with 2022-23 which was £537K.

Retail

Retail operations, both in person and online, continued to grow, albeit more slowly than anticipated. Product selections were aligned with the curatorial programme, driving increased sales during exhibitions such as Forty Farms and LEGO Lake District. Retail outlets were also reintroduced at Abbot Hall, complementing its reopening.

Retail income overall was £237K in 2023-24 a small increase in comparison with 2022-23 which was £213K.

Events and private hire

Lakeland Arts hosted various events, including the Model Boat Regatta, Lake District Summer Music Festival, and Blackwell's popular Autumn Craft Fair.

A wedding license was secured for Windermere Jetty Museum in 2023, facilitating small weddings, private celebrations, corporate meetings, and workshops. The venue was also used as a film location for several productions throughout the year.

Partnerships with local organisations, such as Stride and Edge Yoga and Total Adventure Canoe and Kayak Hire, provided additional engagement opportunities for visitors.

Commercial boat conservation

Leveraging heritage skills, Lakeland Arts undertook several high profile conservation projects, including:

- A 3D digital model of *De Wadden* for National Museums Liverpool
- Condition surveys of *Herbert Leigh* for Barrow Town Docks Museum
- Restore and install electric propulsion to Motor Launch *Borwicks* for private customer
- Visual structural survey of the WWII rescue motor launch *RML497* for National Museum of the Royal Navy
- Repair of SL *Gondola's* gunwales for the National Trust

Visitor experience

The visitor experience team focused on enhancing engagement through improved communication, ticketing systems, and regular training. Key initiatives included:

- Introduction of daily tours and talks at Blackwell
- Recruitment and training of staff and volunteers for Abbot Hall's reopening
- Transition to rolling training sessions covering hygiene, allergen awareness, Gift Aid, and new EPOS systems

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Volunteering

Lakeland Arts completed the final year of the Helping Hands project, fostering inclusivity, increasing workforce diversity, and addressing isolation across Cumbria.

With Abbot Hall's reopening, Lakeland Arts welcomed approximately 100 volunteers, many returning after the gallery's three year hiatus. Volunteers play a vital role in enhancing visitor experiences and gathering feedback. Their contributions were invaluable during this transformative year and we are extremely appreciative of all that they do.

Raised income

Lakeland Arts, as a member of Cumbria Museum Consortium, completed the first year of the new funding period as a National Portfolio Organisation (NPO) to Arts Council England.

Lakeland Arts is grateful for the donations, grants and sponsorship we receive from all the individuals and organisations who support us. The support means we are able to continue our work, helping us to conserve our Grade I listed buildings, care for and develop the Trust's collections, promote world class art and heritage and deliver exciting exhibition and learning programmes. Lakeland Arts would like to sincerely thank all the individuals and organisations mentioned in this report, and all those who wish to remain anonymous.

A new fundraising strategy was agreed December 2023, aligning with the new creative vision for Lakeland Arts. £835K was raised in the year ending 31 March 2024, representing 30% of our overall income in 2023-24. Valuable support came from a range of sources, including individual donors, trusts and foundations, statutory funders and corporate organisations. Lakeland Arts continues to receive support from our Members, Patrons and Benefactors, raising a total of £75K in 2023-24 from membership schemes.

Westmorland & Furness Council and Kendal Town Council continued to support programme activities.

In 2023 we began a multi year partnership with funder Esmée Fairbairn Foundation via their Collections Fund. The project aims to support the organisation's transition into changemaking through Abbot Hall as a flagship for innovation.

Other restricted funding to support specific projects and activities included grants from the John R. Murray Charitable Trust, the Sir Nicholas Goodison Award, the National Lottery Heritage Art Fund, the Wolfson Foundation and DCMS, the John Ellerman Foundation, the Lucy Group, the GF Armitage Charitable Trust, the Westmorland Arts Trust, the Midwood McTurk Trust.

The Blackwell Loan Agreement, dated 7 November 2023, formalises a loan arrangement between The Lakeland Arts Trust (Lender) and Lakeland Arts (Borrower), both registered charities operating out of Abbot Hall Art Gallery, Kendal, with Lakeland Arts as the sole corporate trustee of the Lakeland Arts Trust. Under the agreement, the Lender has advanced £125,478.25 to the Borrower, drawn from the restricted Blackwell Endowment Fund in accordance with Charity Commission guidelines. The loan is intended to fund repairs and maintenance of Blackwell, a property owned by the Lender and utilised by the Borrower for income generation and charitable activities. The agreement establishes a 19-year repayment schedule with monthly instalments beginning November 7, 2024, following a one-year payment holiday. Interest is accrued at 7.4% per annum on the outstanding liabilities, with a final payment date in November 2043, there are no penalties for early repayment.

Marketing and Communications

Macroeconomic factors continued to significantly impact visitor behaviour such that a return to pre pandemic figures seemed likely to take longer than anticipated, requiring a greatly improved financial climate both internationally and in the UK.

While there was some growth in international tourism in 2023-24, the majority of surveyed visitors came from a much shorter distance within the North of England and Scotland.

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The Marketing and Communications team relied on freelance support throughout the opening of Abbot Hall in May 2023 but was reduced further in size in December 2023, in response to increased overheads and lower than anticipated income.

The team continued to prioritise high quality graphic design, illustration, photography and video to capture all aspects of both charitable and commercial areas of work. Widening the range of marketing materials and audiences, particularly digitally, has increased understanding of new audience potential and visitor interest.

The team expanded digital advertising, national media and local partnership marketing and looked toward improving systems in preparation for future focus on email, digital and search engine marketing in 2024-25.

Standardised Arts Council England surveys were rolled out to all three open museums in November 2023.

Capital projects, buildings, and estates

Abbot Hall

In May 2023, Abbot Hall reopened following a significant closure period for essential repairs and upgrades. The work, managed by South Lakeland District Council (now Westmorland & Furness Council) as the building's owner, included:

- Electrical system upgrades
- Installation of a new heating system
- Replacement of the fire alarm system
- Flood defence measures
- Internal and external redecoration

These improvements have modernised the gallery while ensuring its readiness for future programming.

Lakeland Museum

Lakeland Museum remains closed as further planning and consultation continue for subsequent phases of the wider Kendal site masterplan, which includes Abbot Hall.

Blackwell

Essential roofing repairs were completed on the east gable wall at Blackwell following Listed Building Consent approval. These works included:

- Replacing lead flashing and a decayed timber rafter
- Re flashing and re rendering the nearest chimney stack
- Adding a lead capping to the parapet wall
- Installing lead trays above first and second floor windows and tapering sills to prevent water ingress
- Restoring the second floor window, which was found to be in poor condition.

These repairs have significantly mitigated water ingress in this part of the building, informed the rate of deterioration for remaining gables, and provided evidence to support funding applications for further conservation efforts.

Windermere Jetty Museum

Winter 2023-24 posed challenges at Windermere Jetty Museum due to issues with the lake source heat pump system. Repairs in November 2023 were unsuccessful, leaving the system operational with only one of the two heat exchangers. Further issues over December and January resulted in the system being turned off entirely as neither heat exchanger could maintain pressure. Discussions with our insurers continue.

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Property updates

- The Ferry Nab property was vacated and the lease surrendered to the owner in September 2023
- 9 and 11 Church Walk (collectively known as the Old Grammar School) were sold at auction in November 2023, with the sale completed in December 2023.

These property adjustments have helped streamline operations and align estate management with strategic goals.

Fundraising disclosures

As an accredited museum Lakeland Arts adheres to the Museums Association Code of Ethics for Museums. The Code defines the ethical principles which guide museum practice and underpin policy and practice regarding the development of museum collections. An ethical approach to museums also underpins the Accreditation Standard. This code supports museums, those who work in and with them, and their governing bodies in recognising and resolving ethical issues and conflicts. It sets out key ethical principles and the supporting actions that museums should take to ensure an ethical approach to their work in relation to their audiences, local communities, donors, source communities, partner organisations, sponsors and funders. Lakeland Arts is an organisational member of the Museums Association.

Lakeland Arts has a set of policies that ensure we implement and adhere to the Museums Association Code of Ethics, including in relation to donors and funders. These include our Privacy Policy and our Safeguarding Children and Vulnerable Adults Policy, which applies to all staff, trustees, volunteers, and contractors, and sets out how we would recognise and deal with incidents of suspected financial abuse.

During the year Lakeland Arts did not contract professional fundraisers from a third-party business to carry out fundraising on its behalf.

In the current year Lakeland Arts did not receive any complaints about activities by the charity or by a person on behalf of the charity for the purpose of fund-raising.

Benefactors and Patrons

Benefactors (as at 31 March 2024):

Mrs J Ambler
Mr T J R Harding and Mrs P Harding
Mr J Hudson and Mrs N Hudson
Dr A C I Naylor and Mrs M Naylor
Mr J S Rink and Mrs E Rink
Mr M Southern and Mrs L Southern
Dr J P L Welch
Mrs J Wood

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Patrons (as at 31 March 2024):

Mr C H Bagot and Mrs S Bagot MBE
Mr J Barradell and Mrs M Barradell
Mr J Campbell and Mrs S J Campbell
Mr D Case and Mrs A Case
Mr C W Crewdson OBE and Mrs V Crewdson
Sir James Cropper KCVO
Mr W Dufton and Mrs R Dufton
Ms W Ellis
Mr N J Fleming and Mrs S C Fleming
Mr J Forsyth and Mrs B Forsyth
Mr M Gibbon and Mrs L Gibbons
Mr R Hasell-McCosh and Mrs J Hasell-McCosh
Miss S Keegan
Susan, Lady Kimber
Mr J Lee and Mrs H Lee
Mrs C Lomas Whittle
Mrs D Matthews
Mr J Nicoll and Ms L Colchester
Mrs J Rayner
Mr F A Scott DL and Mrs S Scott
Sir Christopher and Lady Scott
Mr J H Townson
Mr J Velnoweth and Ms D Reid
Mrs M Warburton
Mr J N C Woodhouse
Mr C Woodhouse CVO
Mr P M White and Mrs V White
And all those who wish to remain anonymous

Public benefit

Lakeland Arts is dedicated to making a meaningful and lasting impact on the communities it serves by providing access to culture, creativity and heritage. The organisation ensures that its venues, collections and programmes enrich lives, inspire learning and foster wellbeing.

Abbot Hall opened as an art gallery in September 1962, as home to an outstanding art collection and a dynamic exhibition programme.

In 1971, the Lakeland Museum (formerly the Museum of Lakeland Life & Industry) was established within the coach house and stable block at Abbot Hall. The museum holds an extensive collection that celebrates the social and industrial history of the Lake District and Kendal.

Blackwell - The Arts & Crafts House, a Grade I listed building with sweeping views over Lake Windermere, opened in July 2001. Designed by MH Baillie Scott and completed in 1900, Blackwell is one of the UK's most significant Arts and Crafts houses, renowned for its historic and contemporary craft exhibitions.

In March 2019, the Windermere Jetty Museum was inaugurated, offering a world class museum experience and attracting visitors from across the globe.

Throughout its activities, Lakeland Arts prioritises accessibility, learning and inclusivity, ensuring its programmes and venues benefit a wide range of audiences, from local communities to national and international visitors.

Lakeland Arts

Trustees' Report

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Structure, governance and management

Nature of governing document

Lakeland Arts operates as a charitable company limited by guarantee and is registered as a charity. The organisation was established to modernise the governance of the Lakeland Arts Trust, an unincorporated trust founded in 1957 to save Abbot Hall and transform it into an art gallery.

The charitable company, governed by its Memorandum and Articles of Association, assumed responsibility for the operations of the Trust on 1 August 2013. The Trust's funds, assets, and liabilities were transferred to the charitable company, which continues to operate the venues and manage redevelopment projects, such as Windermere Jetty Museum. The Trust itself retains the Blackwell Endowment (a permanent endowment) and the collections, which are loaned to the charitable company.

The Board regularly reviews its performance against the Charity Governance Code to ensure strong and effective governance.

Recruitment and appointment of trustees

The Trustee Succession Planning Committee oversees the recruitment and succession of trustees to ensure the board maintains the skills, diversity, and expertise required to support Lakeland Arts. This committee identifies upcoming vacancies, defines the skills needed and recruits through methods such as advertising, recommendations or recruitment platforms.

Key steps in the trustee recruitment process include:

- Reviewing trustee retirement schedules
- Identifying skills necessary for the organisation's growth and success
- Considering candidates who align with Lakeland Arts' commitment to diversity and inclusion
- Interviewing candidates with the Chief Executive Officer, Chair of Trustees, and a committee member.

Recommendations are approved by the Succession Planning Committee and formally endorsed by the Board of Trustees.

Organisational structure

The trustees of the charitable company also serve as its directors under charity law. The Board of Trustees, comprising six to 15 members, meets regularly to oversee strategy, policy, and operations.

At these meetings, the trustees:

- Define the charitable company's strategic direction and policy framework
- Monitor financial policies, reserves, risk management and performance
- Set remuneration for key management personnel using industry benchmarks.

Trustees appoint and oversee investment managers, currently Sarasin & Partners LLP, to implement Lakeland Arts' investment strategy. Details of key management personnel remuneration and expenses are disclosed in the notes to the accounts.

Trustees are elected during the Annual General Meeting, as stipulated in the Articles of Association. Those who served during the year and since year end are listed in the Charity information section.

Lakeland Arts

Trustees' Report

Relationships with related parties

Lakeland Arts Trust

Lakeland Arts acts as the sole trustee of Lakeland Arts Trust, which holds the organisation's collections and manages the Blackwell Endowment. For accounting purposes, Lakeland Arts Trust is treated as a subsidiary of Lakeland Arts.

Lakeland Arts Enterprises Limited

Lakeland Arts Enterprises Limited is the wholly owned trading subsidiary of Lakeland Arts. Together, Lakeland Arts, Lakeland Arts Trust, and Lakeland Arts Enterprises Limited comprise the Lakeland Arts Group, working collaboratively to support the charitable mission.

Lakeland Arts Support Trust

Formed in 1998, Lakeland Arts Support Trust is an independent charity established to generate income in support of Lakeland Arts, with a particular focus on the Abbot Hall site in Kendal. As it operates under a separate board of trustees, it is not part of the Lakeland Arts Group.

Westmorland & Furness Council

Since its formation on 1 April 2023, Westmorland & Furness Council has been a key partner of Lakeland Arts. The Council owns the Abbot Hall building and provides an annual grant to support the charity's operational costs and programme delivery.

Financial instruments

Objectives and policies

The activities of the Lakeland Arts Group expose it to a range of financial risks, including those related to fluctuating visitor spending, cost pressures, investment performance, and broader economic challenges such as inflation and post pandemic recovery. Oversight and management of these risks are the responsibility of the Finance Committee, with trustees receiving regular updates on the organisation's financial position.

Credit risk

The group's principal financial assets include bank balances, cash, trade receivables, and investments. Credit risk is minimal, as receivables are largely comprised of secured grants. Liquid funds are held with high credit rated banks, ensuring security and stability.

Lakeland Arts

Trustees' Report

Statement of trustees' responsibilities

The trustees (who are also the directors of Lakeland Arts for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group 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 parent charitable company and the group 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 included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 23 January 2025 and signed on its behalf by:



D Reid MCIOF
Chair and trustee

Lakeland Arts

Independent Auditor's Report to the Members of Lakeland Arts

Opinion

We have audited the financial statements of Lakeland Arts (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2024 and of its 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.

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 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 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.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements regarding going concern. The charitable group incurred a net deficit of £535,791 during the year ended 31 March 2024 of which £484,448 related to unrestricted funds resulting in a deficit on unrestricted funds of £433,534 and, as of that date, the group's current liabilities exceeded its total assets by £51,728. As explained in Note 2, these results have been caused by particular events in the year but this does indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. The group does own heritage assets worth approximately £63m which are not on the balance sheet (note 17).

Our opinion is not modified in respect of this matter.

Lakeland Arts

Independent Auditor's Report to the Members of Lakeland Arts

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 ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material 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.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of trustees

Lakeland Arts

Independent Auditor's Report to the Members of Lakeland Arts

As explained more fully in the Statement of trustees' responsibilities (set out on page 22), the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our experience and from discussions with management. We reviewed any related correspondence and records of trustee meetings to assess compliance with laws and regulations and discussed the current position with management. We ensured the audit team were alert for any indications of non-compliance throughout the audit work.

We reviewed material journals processed in the charitable company's accounting software.

We assessed the charity's policies and procedures on fraud risks. No instances of actual, suspected or alleged fraud were identified by us or the charity in the year.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.



.....
Helen Holmes BSc FCA (Senior Statutory Auditor)

For and on behalf of Stables Thompson & Briscoe, Statutory Auditor

Chartered Accountants & Statutory Auditor
Lowther House
Lowther Street
Kendal
LA9 4DX

30 January 2025

Lakeland Arts

Consolidated Statement of Financial Activities for the Year Ended 31 March 2024 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £
Income and Endowments from:					
Donations and legacies	3	643,717	240,922	-	884,639
Charitable activities	4	727,894	-	-	727,894
Other trading activities	5	1,049,236	-	-	1,049,236
Investment income	6	1,438	19,827	-	21,265
Other income	7	124,769	-	-	124,769
Total income		<u>2,547,054</u>	<u>260,749</u>	<u>-</u>	<u>2,807,803</u>
Expenditure on:					
Raising funds	8	(1,420,699)	-	-	(1,420,699)
Charitable activities	9	<u>(1,696,802)</u>	<u>(279,232)</u>	<u>(19,651)</u>	<u>(1,995,685)</u>
Total expenditure		(3,117,501)	(279,232)	(19,651)	(3,416,384)
Gains/losses on investment assets		<u>22,500</u>	<u>-</u>	<u>28,290</u>	<u>50,790</u>
Net (expenditure)/income		(547,947)	(18,483)	8,639	(557,791)
Transfers between funds		41,499	-	(41,499)	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes		<u>22,000</u>	<u>-</u>	<u>-</u>	<u>22,000</u>
Net movement in funds		(484,448)	(18,483)	(32,860)	(535,791)
Reconciliation of funds					
Total funds brought forward		<u>50,914</u>	<u>15,849,929</u>	<u>547,860</u>	<u>16,448,703</u>
Total funds carried forward	27	<u>(433,534)</u>	<u>15,831,446</u>	<u>515,000</u>	<u>15,912,912</u>

The notes on pages 32 to 70 form an integral part of these financial statements.

Lakeland Arts

Consolidated Statement of Financial Activities for the Year Ended 31 March 2024 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £ (As restated)
Income and Endowments from:					
Donations and legacies	3	717,986	209,142	-	927,128
Charitable activities	4	601,517	-	-	601,517
Other trading activities	5	763,919	-	-	763,919
Investment income	6	1,133	19,403	-	20,536
Other income	7	490,554	-	-	490,554
Total income		<u>2,575,109</u>	<u>228,545</u>	<u>-</u>	<u>2,803,654</u>
Expenditure on:					
Raising funds	8	(1,158,876)	-	-	(1,158,876)
Charitable activities	9	<u>(1,546,573)</u>	<u>(563,533)</u>	<u>-</u>	<u>(2,110,106)</u>
Total expenditure		<u>(2,705,449)</u>	<u>(563,533)</u>	<u>-</u>	<u>(3,268,982)</u>
Gains/losses on investment assets		<u>332,622</u>	<u>-</u>	<u>(37,140)</u>	<u>295,482</u>
Net income/(expenditure)		202,282	(334,988)	(37,140)	(169,846)
Transfers between funds		(40,987)	40,987	-	-
Other recognised gains and losses					
Gains/losses on revaluation of fixed assets		(64,000)	-	-	(64,000)
Actuarial gains on defined benefit pension schemes		<u>315,000</u>	<u>-</u>	<u>-</u>	<u>315,000</u>
Net movement in funds		412,295	(294,001)	(37,140)	81,154
Reconciliation of funds					
Total funds brought forward		<u>(339,381)</u>	<u>16,143,930</u>	<u>585,000</u>	<u>16,389,549</u>
Total funds carried forward	27	<u><u>72,914</u></u>	<u><u>15,849,929</u></u>	<u><u>547,860</u></u>	<u><u>16,470,703</u></u>

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2023 is shown in note 27.

The notes on pages 32 to 70 form an integral part of these financial statements.

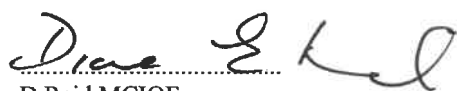
Lakeland Arts

(Registration number: 8162578)

Consolidated Balance Sheet as at 31 March 2024

	Note	2024 £	2023 £ (As restated)
Fixed assets			
Tangible assets	16	16,787,889	17,115,255
Investments		426,805	726,233
		<u>17,214,694</u>	<u>17,841,488</u>
Current assets			
Stocks	19	24,986	30,482
Debtors	20	365,098	136,793
Cash at bank and in hand	21	233,325	165,786
		<u>623,409</u>	<u>333,061</u>
Creditors: Amounts falling due within one year	22	<u>(675,137)</u>	<u>(272,303)</u>
Net current (liabilities)/assets		<u>(51,728)</u>	<u>60,758</u>
Total assets less current liabilities		17,162,966	17,902,246
Creditors: Amounts falling due after more than one year	23	<u>(1,250,054)</u>	<u>(1,409,543)</u>
Net assets excluding pension liability		15,912,912	16,492,703
Pension scheme liability	24	<u>-</u>	<u>(22,000)</u>
Net assets including pension liability		<u>15,912,912</u>	<u>16,470,703</u>
Funds of the group:			
Endowment funds		<u>515,000</u>	<u>547,860</u>
Restricted income funds			
Restricted funds	27	15,831,446	15,849,929
Unrestricted income funds			
Unrestricted funds		(433,534)	94,914
Pension reserve		<u>-</u>	<u>(22,000)</u>
Total unrestricted funds		<u>(433,534)</u>	<u>72,914</u>
Total funds	27	<u>15,912,912</u>	<u>16,470,703</u>

The financial statements on pages 26 to 70 were approved by the trustees, and authorised for issue on 23 January 2025 and signed on their behalf by:


D Reid MCIOF
Chair and trustee

The notes on pages 32 to 70 form an integral part of these financial statements.

Lakeland Arts

(Registration number: 8162578)
Balance Sheet as at 31 March 2024

	Note	2024 £	2023 £ (As restated)
Fixed assets			
Tangible assets	16	16,787,889	17,115,255
Investments		<u>2</u>	<u>150,002</u>
		<u>16,787,891</u>	<u>17,265,257</u>
Current assets			
Debtors	20	352,792	299,047
Cash at bank and in hand	21	<u>230,751</u>	<u>148,411</u>
		583,543	447,458
Creditors: Amounts falling due within one year	22	<u>(602,125)</u>	<u>(234,021)</u>
Net current (liabilities)/assets		<u>(18,582)</u>	<u>213,437</u>
Total assets less current liabilities		16,769,309	17,478,694
Creditors: Amounts falling due after more than one year	23	<u>(1,375,532)</u>	<u>(1,409,543)</u>
Net assets including pension liability		<u>15,393,777</u>	<u>16,069,151</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	27	15,831,446	15,849,929
Unrestricted income funds			
Unrestricted funds		<u>(437,669)</u>	<u>219,222</u>
Total funds	27	<u>15,393,777</u>	<u>16,069,151</u>

The financial statements on pages 26 to 70 were approved by the trustees, and authorised for issue on 23 January 2025 and signed on their behalf by:



D Reid MCIOF
Chair and trustee

The notes on pages 32 to 70 form an integral part of these financial statements.

Lakeland Arts

Consolidated Statement of Cash Flows for the Year Ended 31 March 2024

	Note	2024 £	2023 £ (As restated)
Cash flows from operating activities			
Net cash expenditure		(557,791)	(236,846)
Adjustments to cash flows from non-cash items			
Depreciation	16	177,366	196,729
Investment income	6	(21,265)	(20,536)
Revaluation of investments		<u>(28,790)</u>	<u>86,518</u>
		(430,480)	25,865
Working capital adjustments			
Decrease in stocks	19	5,496	5,291
Increase in debtors	20	(228,305)	(8,110)
Increase in creditors	22	175,847	188,546
Decrease (increase) in retirement benefit obligation net of actuarial changes	24	(22,000)	(318,000)
Decrease in provisions - prior year adjustment		-	(168,658)
Increase/(decrease) in deferred income	23	<u>39,000</u>	<u>(13,194)</u>
Net cash flows from operating activities		<u>(460,442)</u>	<u>(288,260)</u>
Cash flows from investing activities			
Interest receivable and similar income	6	1,438	1,133
Sale of tangible fixed assets		150,000	-
Purchase of investments		(12,632)	(17,997)
Sale of investments		340,850	31,973
Income from dividends	6	<u>19,827</u>	<u>19,403</u>
Net cash flows from investing activities		<u>499,483</u>	<u>34,512</u>
Cash flows from financing activities			
Repayment of loans and borrowings	22	(6,365)	(1,356)
Repayment of capital element of finance leases and HP contracts		<u>34,863</u>	<u>-</u>
Net cash flows from financing activities		<u>28,498</u>	<u>(1,356)</u>
Net increase/(decrease) in cash and cash equivalents		67,539	(255,104)
Cash and cash equivalents at 1 April		<u>165,786</u>	<u>420,890</u>
Cash and cash equivalents at 31 March		<u><u>233,325</u></u>	<u><u>165,786</u></u>

The notes on pages 32 to 70 form an integral part of these financial statements.

Lakeland Arts

Consolidated Statement of Cash Flows for the Year Ended 31 March 2024

Reconciliation of net cash flow to movement in net funds

Increase/(decrease) in cash	67,539	(255,104)
Cash outflow from repayment of loans	6,365	1,356
Cash outflow from repayment of capital element of finance leases and hire purchase contracts	<u>(34,863)</u>	<u>-</u>
Change in net funds/(debt) resulting from cash flows	<u>39,041</u>	<u>(253,748)</u>
Net debt at 1 April 2023	<u>(1,082,509)</u>	<u>(828,761)</u>
Net (debt)/funds at 31 March 2024	<u>(£1,043,468)</u>	<u>(£1,082,509)</u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 32 to 70 form an integral part of these financial statements.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation. The address of the registered office is given on the charity information page of these financial statements. The nature of the charity's operations and principal activities are as an arts and heritage organisation caring for and running Abbot Hall Art Gallery and The Lakeland Museum in Kendal, Blackwell, The Arts & Crafts House, and the Windermere Jetty, Museum of Boats, Steam and Stories in Bowness-on-Windermere.

The principal place of business is:

Abbot Hall

Kendal

LA9 5AL

These financial statements were authorised for issue by the trustees on 23 January 2025.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Lakeland Arts 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 notes.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2024. The subsidiaries consolidated for this purpose were Lakeland Arts Enterprises Ltd and Lakeland Arts Trust.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity as an individual entity made a deficit after all gains and losses for the financial year of £675,374 (2023 - surplus of £81,154).

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Going concern

The financial statements for the group have been prepared on a going concern basis.

The trustees have assessed the appropriateness of this basis, considering whether there are material uncertainties related to events or conditions that may cast significant doubt on the charity's and the group's ability to continue as a going concern. This assessment covers a period of at least one year from the date of approval of these financial statements.

During the year ending 31 March 2024, Lakeland Arts continued to face challenges related to the economic climate, including the ongoing cost-of-living crisis, which impacted visitor numbers and discretionary spending. Inflationary pressures significantly increased operational costs, necessitating robust financial management and strategic cost-saving measures.

Despite these challenges, the group successfully reopened Abbot Hall following a significant closure, generating increased visitor engagement. Other sites, including the Windermere Jetty Museum and Blackwell, continued to perform well, supported by popular programming and new income-generating initiatives. However, the Lakeland Museum remains closed, with no immediate plans for reopening.

The group's financial performance reflects an operational deficit, partially offset by gains on investments and continued strong support from Arts Council England and other funders. The trustees have implemented measures to enhance financial stability, including the sale of non-core assets and further diversification of income streams.

The trustees have reviewed the group's financial forecasts, cash flows, and available resources, including its reliance on restricted funds. These projections indicate that, with continued cost management and income diversification, the group is expected to maintain operational viability. Accordingly, the trustees have concluded that there are no material uncertainties regarding the group's ability to continue as a going concern.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Prior period errors

The charity received an invoice in the year from the contractors of Windermere Jetty (which was completed in 2019 and written down to valuation in 2021) in the sum of £168,658 for the release of the retention. This amount should have been provided for in previous years and would have formed part of the write off in 2021 so has been brought in as a prior year adjustment.

	Relating to the current period disclosed in these financial statements £	Relating to the prior period disclosed in these financial statements £	Relating to prior periods before the prior period disclosed in these financial statements £
Restricted reserves	-	(168,658)	(168,658)
Long term liabilities	-	168,658	168,658

Judgements

The directors have reviewed whether there were any indicators of impairment of the company's tangible assets. Factors taken into consideration included economic viability and expected future performance. The directors have judged that there is no impairment on the current carrying value of the assets.

Key sources of estimation uncertainty

Tangible fixed assets, which are principally the Windermere Jetty Museum and various plant, fixtures and fittings, are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed and may vary depending on a number of factors. In assessing asset lives factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual values have to reflect possible future market conditions, the remaining life of the asset and potential disposal values. The carrying amount is £16,787,889 (2023 -£17,115,255).

Income and endowments

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 the income receivable can be measured reliably.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Donations and legacies

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- i. when donors specify that donations and grants given to the charitable company must be used in future accounting periods the income is deferred until these periods; or
- ii. when donors impose conditions which have to be fulfilled before the charitable company becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Gifts in kind

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

Donated heritage assets are recognised in the Heritage Asset note but are not otherwise recognised in the Statement of Financial Activities (SOFA) in line with the policy on Heritage Assets.

Other trading activities

Income from commercial trading activities, including retail and catering and commission on sale or return items through retail outlets. This income is primarily the income of the trading subsidiary Lakeland Arts Enterprises Ltd and is recorded on a receivable basis.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Charitable activities

Income from Charitable trading activities through Abbot Hall Art Gallery, Blackwell the Arts & Crafts House, Lakeland Museum and the Windermere Jetty (including admission, learning and Friends of Lakeland Arts memberships), is included in incoming resources in the period for which it is receivable.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably.

Expenditure is included in the Consolidated Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. All costs are defined in 4 specific categories:

Raising funds
Fundraising trading
Charitable activities
Other

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management and professional fees. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Tangible fixed assets

Individual fixed assets costing £5,000.00 or more are initially recorded at cost including any incidental expenses of acquisition (with the exception of heritage assets), less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Heritage assets

Lakeland Arts' principal objects include establishment and maintenance of public art galleries and museums for the benefit of the public. In this connection the charitable company has a long leasehold interest, at a peppercorn rent, in listed buildings at Abbot Hall, of which Abbot Hall itself is Grade I Listed. The charitable company also has a freehold interest in the Grade I Listed Arts & Crafts house Blackwell – a property of unique historic importance near Bowness-on-Windermere.

These historic properties are inalienable heritage assets in the sense that it is a fundamental part of the charitable company's purpose to hold and preserve them permanently, and Lakeland Arts is effectively prohibited from disposing of them for any other purpose, not only by the terms of its governing documents, but also by external considerations including the terms of leases, conditions applied by funding bodies and planning consents. These properties are not assets in the normal sense of the word because under the irrevocable terms of their present use they have no market value. To provide a market value based on an impermissible change of use would be misleading. The Trustees consider that the buildings are heritage assets and the charitable company does not, therefore, represent them on the Balance Sheet.

Further information on the Lakeland Arts' heritage assets is given in the notes, in accordance with the terms of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) '18. Accounting for heritage assets'.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class

Freehold land and buildings

Leasehold land and buildings

Plant, equipment and fittings

Depreciation method and rate

Held at valuation, revalued every five years - sold in the year

straight line over the term of the lease

straight line over 4 years

Research and development

Research and development expenditure is written off as incurred.

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock consists of purchased goods for resale and is included at the lower of cost or net realisable value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the group.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Restricted endowment funds – these are non-permanent endowment funds, the income from which contributes to the operating expenses of Lakeland Arts. The assets of the funds are represented by investments.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Pensions and other post retirement obligations

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

The group also operates a defined benefit pension scheme for one employee. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2024 £	Total 2023 £
Donations and legacies;				
Donations from companies, trusts and similar proceeds	555,844	190,922	746,766	851,194
Legacies	2,416	50,000	52,416	-
Gift aid reclaimed	10,776	-	10,776	13,860
Membership income (including Friends, patrons and benefactors)	74,681	-	74,681	62,074
	643,717	240,922	884,639	927,128

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

	Unrestricted funds	Restricted funds	2024	2023
Other grants and donations				
Core Grants	£	£	£	£
Arts Council England NPO	451,848	-	451,848	451,848
Lakeland Arts Support Trust	60,000	-	60,000	51,000
Westmorland & Furness Council	37,500	-	37,500	27,500
Kendal Town Council	-	-	-	5,000
NPO Grant funding	-	-	-	10,000
Covid-19 and Business Continuity Grants				
DCMS Cultural Recovery Fund Round 3 (1 & 2)	-	-	-	104,635
Bid grant	-	-	-	17,101
Programme/Project Grants				
NLHF Resilience	-	-	-	22,950
DCMS/Wolfson Climate Gallery Project	-	40,485	40,485	-
Abbot Hall Redevelopment donation	-	-	-	20,000
Lucy Group - boat conservation	-	-	-	5,000
Sir John Fisher Foundation	-	-	-	37,500
John R. Murray Charitable Trust	-	30,000	30,000	30,000
Architectural Heritage Fund	-	-	-	15,000
The Granada Foundation	-	-	-	5,000
The Hadfield Trust	-	-	-	3,000
Art Fund	-	-	-	4,998
Esmee Fairbairn Foundation	-	40,000	40,000	-
Sir Nicholas Goodison Award for Contemporary Craft	-	21,000	21,000	-
Westmorland & Furness Council AH Nature & Partnership Grant	-	20,000	20,000	-
RR & A James Salter for Gilbert Spencer Exhibition	-	5,000	5,000	-
Community Grant towards participation and learning at Abbot Hall	-	5,000	5,000	-
The John Ellerman Foundation	-	13,055	13,055	13,194
Julia Abrey re Swallow	-	13,000	13,000	-
Going Places Grant	-	500	500	-
Westmorland Arts Trust for Amy Williams Workshops	-	1,982	1,982	20,000
GF Armitage Charitable Trust - Raven Project	-	250	250	-
Andrew Wade donation - Raven Project	-	500	500	-

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

The Museums Association re Helen Stalker	-	150	150	-
Other donations and small grants	6,496	-	6,496	7,468
	<u>555,844</u>	<u>190,922</u>	<u>746,766</u>	<u>851,194</u>

4 Income from charitable activities

	Unrestricted funds General £	Total 2024 £
Visitor income	589,369	589,369
Learning income	935	935
Museums and Galleries tax relief	137,590	137,590
	<u>727,894</u>	<u>727,894</u>
	Unrestricted funds General £	Total 2023 £
Visitor income	458,900	458,900
Learning income	732	732
Museums and Galleries tax relief	141,885	141,885
	<u>601,517</u>	<u>601,517</u>

5 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading income;		
Sales of goods and services	1,046,235	1,046,235
Events income;		
Other events income	2,958	2,958
Lotteries and competitions income	43	43
Total for 2024	<u>1,049,236</u>	<u>1,049,236</u>
Total for 2023	<u>763,919</u>	<u>763,919</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

6 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2024 £
Income from dividends;			
Dividends receivable from other listed investments	-	19,827	19,827
Interest receivable and similar income;			
Interest receivable on bank deposits	1,438	-	1,438
	<u>1,438</u>	<u>19,827</u>	<u>21,265</u>
	Unrestricted funds General £	Restricted funds £	Total 2023 £
Income from dividends;			
Dividends receivable from other listed investments	-	19,403	19,403
Interest receivable and similar income;			
Interest receivable on bank deposits	1,133	-	1,133
	<u>1,133</u>	<u>19,403</u>	<u>20,536</u>

7 Other income

	Unrestricted General £	Total 2024 £	Total 2023 £
Other income	1,747	1,747	52,701
CGS VAT Adjustment	80,411	80,411	73,731
Offgem Renewal Heat Incentive	-	-	2
Insurance	42,611	42,611	357,120
Licence to occupy	-	-	7,000
	<u>124,769</u>	<u>124,769</u>	<u>490,554</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

8 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Total 2024 £
Other direct costs of generating voluntary income		133,591	133,591
Allocated support costs	10	157,836	157,836
		<u>291,427</u>	<u>291,427</u>
	Note	Unrestricted funds General £	Total 2023 £
Other direct costs of generating voluntary income		162,417	162,417
Allocated support costs	10	138,187	138,187
		<u>300,604</u>	<u>300,604</u>

b) Costs of trading activities

	Note	Unrestricted funds General £	Total 2024 £
Trading subsidiary costs		452,215	452,215
Marketing and publicity		64,607	64,607
Wages and salaries		485,185	485,185
Allocated support costs	10	128,393	128,393
		<u>1,130,400</u>	<u>1,130,400</u>
	Note	Unrestricted funds General £	Total 2023 £
Trading subsidiary costs		324,803	324,803
Marketing and publicity		56,311	56,311
Wages and salaries		379,098	379,098
Allocated support costs	10	98,048	98,048
		<u>858,260</u>	<u>858,260</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

c) Investment management costs

	Unrestricted		
	General	Total	Total
Note	£	2024 £	2023 £
Other investment management costs;			
Costs of obtaining investment advice	22	22	12
Administration of the investments	(1,150)	(1,150)	-
	<u>(1,128)</u>	<u>(1,128)</u>	<u>12</u>

d) Total expenditure on raising funds

	Direct costs	Allocated	Total
	£	support costs	2024
	£	£	£
Costs of generating donations and legacies	133,591	157,836	291,427
Costs of trading activities	1,002,007	128,393	1,130,400
Investment management costs	(1,128)	-	(1,128)
	<u>1,134,470</u>	<u>286,229</u>	<u>1,420,699</u>
	Direct costs	Allocated	Total
	£	support costs	2023
	£	£	£
Costs of generating donations and legacies	162,417	138,187	300,604
Costs of trading activities	760,212	98,048	858,260
Investment management costs	12	-	12
	<u>922,641</u>	<u>236,235</u>	<u>1,158,876</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

9 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	2024 £
Exhibition programmes	186,166	68,144	254,310
Collections and conservation of exhibits	436,076	78,520	514,596
Learning	64,976	71,491	136,467
Historic buildings and premises costs	605,819	71,431	677,250
Visitor operations	322,477	90,585	413,062
	<u>1,615,514</u>	<u>380,171</u>	<u>1,995,685</u>
	Activity undertaken directly £	Activity support costs £	2023 £
Exhibition programmes	194,174	55,146	249,320
Collections and conservation of exhibits	475,798	60,365	536,163
Learning	75,405	57,084	132,489
Historic buildings and premises costs	537,952	58,641	596,593
Visitor operations	283,405	67,415	350,820
Abbot Hall Project	103,132	9,838	112,970
NLHF Resilience Project	-	22,950	22,950
Art Fund	1,058	16,692	17,750
Garfield Weston Foundation	37,592	-	37,592
Clore Duffield	19,804	-	19,804
Social Enterprise	2,694	-	2,694
	<u>1,731,014</u>	<u>348,131</u>	<u>2,079,145</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

	Unrestricted funds Designated £	Restricted funds £	Total 2024 £
Exhibition programmes	198,034	56,276	254,310
Collections and conservation of exhibits	466,845	47,751	514,596
Learning	136,467	-	136,467
Historic buildings and premises costs	502,045	175,205	677,250
Visitor operations	413,062	-	413,062
	<u>1,716,453</u>	<u>279,232</u>	<u>1,995,685</u>
	Unrestricted funds Designated £	Restricted funds £	Total 2023 £
Exhibition programmes	203,626	45,694	249,320
Collections and conservation of exhibits	408,632	127,531	536,163
Learning	132,489	-	132,489
Historic buildings and premises costs	410,207	186,386	596,593
Visitor operations	350,820	-	350,820
Abbot Hall Project	9,838	103,132	112,970
NLHF Resilience Project	-	22,950	22,950
Art Fund	-	17,750	17,750
Garfield Weston Foundation	-	37,592	37,592
Clore Duffield	-	19,804	19,804
Social Enterprise	-	2,694	2,694
	<u>1,515,612</u>	<u>563,533</u>	<u>2,079,145</u>

Included in the expenditure analysed above, there are also governance costs of £25,944 (2023 - £30,961) which relate directly to charitable activities. See note 10 for further details.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

10 Analysis of governance and support costs

Governance costs

	Unrestricted General £	Total 2024 £	Total 2023 £
Staff costs			
Pension costs	2,318	2,318	10,900
Audit fees			
Audit and other fees paid to auditors	17,095	17,095	16,865
Trustees remuneration and expenses	1,378	1,378	1,773
Legal fees	539	539	-
Loan interest	4,614	4,614	1,423
	25,944	25,944	30,961

11 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2024 £	2023 £
Audit fees	15,845	15,900
Depreciation of fixed assets	172,310	196,729

12 Trustees remuneration and expenses

During the year the group made the following transactions with trustees:

A Karwa

£81 (2023: £729) of expenses were reimbursed to A Karwa during the year.

A M Lyles

£454 (2023: £941) of expenses were reimbursed to A M Lyles during the year.

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

13 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	1,325,543	1,350,918
Social security costs	101,856	112,980
Pension costs	25,624	38,211
	<u>1,453,023</u>	<u>1,502,109</u>

The monthly average number of persons (including senior management / leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2024 No	2023 No
Management, curatorial, marketing and learning	21	23
Administration	6	6
Desk/shop staff	4	4
Coffee House & Tea Room	9	9
Other	3	1
Heritage boat team	5	3
Boat conservation team	1	5
	<u>49</u>	<u>51</u>

The average number of employees in the year as defined by s382/383 of the Companies Act 2006 was 81 (2023 - 79).

The number of employees whose emoluments fell within the following bands was:

	2024 No	2023 No
£70,001 - £80,000	1	-
£80,001 - £90,000	<u>-</u>	<u>1</u>

The total employee benefits of the key management personnel of the group were £324,348 (2023 - £350,836).

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

14 Auditors' remuneration

	2024 £	2023 £
Audit of the group financial statements	<u>15,845</u>	<u>15,900</u>
Other fees to auditors		
Independent examination of subsidiary	<u>1,250</u>	<u>965</u>

The audit fees include provision of accountancy services for the preparation of group accounts.

15 Taxation

The group is a registered charity and is therefore exempt from taxation.

16 Tangible fixed assets

Group

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost/Valuation				
At 1 April 2023	17,384,000	482,237	34,483	17,900,720
Disposals	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
At 31 March 2024	<u>17,234,000</u>	<u>482,237</u>	<u>34,483</u>	<u>17,750,720</u>
Depreciation				
At 1 April 2023	310,756	450,337	24,372	785,465
Charge for the year	<u>155,378</u>	<u>16,932</u>	<u>5,056</u>	<u>177,366</u>
At 31 March 2024	<u>466,134</u>	<u>467,269</u>	<u>29,428</u>	<u>962,831</u>
Net book value				
At 31 March 2024	<u>16,767,866</u>	<u>14,968</u>	<u>5,055</u>	<u>16,787,889</u>
At 31 March 2023	<u>17,073,244</u>	<u>31,900</u>	<u>10,111</u>	<u>17,115,255</u>

Included within the net book value of land and buildings above is £Nil (2023 - £150,000) in respect of freehold land and buildings and £16,767,866 (2023 - £16,923,244) in respect of leaseholds.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Revaluation

The fair value of the group's Leasehold improvements was revalued on 24 November 2021 by Hyde Harrington, Chartered Surveyors, an independent valuer.

The property was valued on an Asset Valuation for the Existing Use. As properties of this nature are not generally traded in the market Depreciated Replacement Cost has been used to determine the Asset Value.

Had this class of asset been measured on a historical cost basis, their carrying amount would have been £18,928,363 (2023 - £18,759,705).

Charity

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost/Valuation				
At 1 April 2023	17,384,000	482,237	34,483	17,900,720
Disposals	(150,000)	-	-	(150,000)
At 31 March 2024	<u>17,234,000</u>	<u>482,237</u>	<u>34,483</u>	<u>17,750,720</u>
Depreciation				
At 1 April 2023	310,756	450,337	24,372	785,465
Charge for the year	155,378	16,932	5,056	177,366
At 31 March 2024	<u>466,134</u>	<u>467,269</u>	<u>29,428</u>	<u>962,831</u>
Net book value				
At 31 March 2024	<u>16,767,866</u>	<u>14,968</u>	<u>5,055</u>	<u>16,787,889</u>
At 31 March 2023	<u>17,073,244</u>	<u>31,900</u>	<u>10,111</u>	<u>17,115,255</u>

Included within the net book value of land and buildings above is £Nil (2023 - £150,000) in respect of freehold land and buildings and £16,767,866 (2023 - £16,923,244) in respect of leaseholds.

17 Heritage assets

Group

Heritage assets not recognised in the balance sheet

From 1 August 2013 the charitable company entered into a Loan and Management Agreement with the owner of the collections, Lakeland Arts Trust under which all responsibilities in relation to the collections including acquisition, disposal, preservation and management, transferred to Lakeland Arts.

Lakeland Arts maintains a full inventory of all the collections held. This includes location and movements in and out of works of art and museum objects which, from time to time, may be loaned to/from other museums and galleries.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Summary of transactions

	2024 £	2023 £	2022 £	2021 £	2020 £
Purchases and additions					
Furniture	-	-	-	-	25,000
Paintings	900	-	-	-	-
Drawings	650	-	17,344	-	10
Maritime	-	100	10,000	-	-
Donations					
Ceramics	-	-	1,240	-	-
Costume	-	-	30	-	-
Drawings	-	-	5,430	-	1,260
Engravings	-	-	-	-	500
Ephemera	-	-	150	-	155
Industrial history	-	-	-	-	240
Paintings	-	-	14,000	214,000	-
Photographs	-	5	300	3,100	-
Sculpture	-	-	-	750,000	-
Social history	-	-	4,571	100	-
Textiles	-	200	-	-	-
Maritime	1,000	7,310	35,015	16,000	100
Furniture	1,100	-	105,080	-	3,000
Horology	-	-	-	-	500
Total additions	3,650	7,615	193,160	983,200	30,765

Charity

Heritage assets not recognised in the balance sheet

The permanent collections are held by Lakeland Arts Trust.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Lakeland Arts Trust's Collection of Works of Art and Museum Exhibits

The principal areas of the collection are:

- Eighteenth century furniture, British landscape and portrait paintings, with a particularly strong group of works by George Romney;
- Eighteenth and nineteenth century watercolours, including an exceptional group by John Ruskin, four major works by JMW Turner and a number of other key works, many of which relate to the Lake District;
- Twentieth century and contemporary British art, with sculpture by figures such as Jean Arp, Barbara Hepworth and Elizabeth Frink, as well as work by many of the leading painters including Samuel Peploe, Ben and Winifred Nicholson, a strong group of St Ives work, Kurt Schwitters, Stanley Spencer, Graham Sutherland, John Piper, Ivon Hitchens, Frank Auerbach, Paula Rego, Bridget Riley and Sean Scully;
- Strong holding of prints by such names as Henry Moore, David Hockney and Lucian Freud;
- Material relating to the social and industrial history of the Lake District and Kendal. This includes nineteenth and twentieth century photographs, Lake District crafts, rural trades and industries and domestic and shop interiors. There is important material relating to the author Arthur Ransome, Annie Garnett's early twentieth century textiles made at the Spinnery in Bowness and arts and crafts furniture by Arthur Simpson of Kendal and other regional makers;
- Material relating to M.H. Baillie Scott including furniture, books and published designs, archive material relating to the history of Blackwell, Arts & Crafts furniture and a small number of objects by Arts & Crafts designers and/or makers shown principally at Blackwell The Arts and Crafts House;
- Small collection of studio ceramics;
- Over 40 boats and a large collection of smaller objects relating to boats and boating on Lake Windermere. The collection is acknowledged to be one of the most important collections of vessels generic to one location worldwide and to reflect important themes in technical, social and economic history. The Pattinson Collection, named after the founder of the Museum Mr G.H. Pattinson, was augmented and added to by the collection of the Windermere Nautical Trust and covers many aspects of boating on Windermere including wooden steam launches, motor boats, yachts and canoes. Eleven boats were transferred to the Lakeland Arts Trust through H.M. Government's Acceptance in Lieu Scheme in 2007.

Acquisitions

Potential acquisitions, which may be purchased or gifted, must meet the requirements laid out in the charitable company's Collections Development Policy (2017).

Disposals

By definition, the Lakeland Arts Trust has a long-term purpose and holds collections in trust for society in relation to its stated objectives. The Trustees therefore accept the principle that sound curatorial reasons for disposal must be established before consideration is given to the disposal of any items in Lakeland Arts collections. The disposal policy is detailed in Lakeland Arts' Collections Development Policy (2017).

Preservation and Management

Lakeland Arts Trust was first awarded MLA Accreditation status in 2009 and following the award Abbot Hall, Blackwell and the Lakeland Museum entered into a planned timetable of collections preservation, care and management. Accreditation is now operated by Arts Council England. Windermere Jetty Museum applied for 'Working Towards Accreditation' status (WTA) when it opened to the public in 2019.

In 2010 some of the principal objects in the collection were valued by Sotheby's. The valuation was carried out specifically to inform a risk management exercise which resulted in a review of the insured values and risks for the collection. For the purpose of reinstatement the value of all of the charitable company's Heritage assets, including buildings and land is estimated as £62.7m.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

18 Fixed asset investments

Group

	2024 £	2023 £
Investment properties	-	150,000
Other investments	426,805	576,233
	<u>426,805</u>	<u>726,233</u>

Investment properties

	Investment properties £
Cost or Valuation	
At 1 April 2023	150,000
Disposals	<u>(150,000)</u>
At 31 March 2024	-
Provision	
At 31 March 2024	<u>-</u>
Net book value	
At 31 March 2024	<u>-</u>
At 31 March 2023	<u>150,000</u>

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 April 2023	576,233	576,233
Revaluation	28,790	28,790
Additions	12,632	12,632
Disposals	<u>(190,850)</u>	<u>(190,850)</u>
At 31 March 2024	<u>426,805</u>	<u>426,805</u>
Net book value		
At 31 March 2024	<u>426,805</u>	<u>426,805</u>
At 31 March 2023	<u>576,233</u>	<u>576,233</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Charity

	2024 £	2023 £
Investment properties	-	150,000
Shares in group undertakings and participating interests	<u>2</u>	<u>2</u>
	<u>2</u>	<u>150,002</u>

Investment properties

	Investment properties £
Cost or Valuation	
At 1 April 2023	150,000
Disposals	<u>(150,000)</u>
At 31 March 2024	-
Provision	
At 31 March 2024	<u>-</u>
Net book value	
At 31 March 2024	<u>-</u>
At 31 March 2023	<u>150,000</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2023	<u>2</u>	<u>2</u>
At 31 March 2024	<u>2</u>	<u>2</u>
Net book value		
At 31 March 2024	<u>2</u>	<u>2</u>
At 31 March 2023	<u>2</u>	<u>2</u>

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2024	2023	
Subsidiary undertakings					
Lakeland Arts Enterprises Ltd	England	Ordinary	100%	100%	Operating tea rooms and gift shops

19 Stock

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Finished goods	24,986	30,482	-	-

20 Debtors

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	33,552	715	2,338	715
Due from group undertakings	-	-	20,618	161,864
Prepayments	128,127	108,566	128,126	108,509
Accrued income	193,375	12,608	193,375	12,608
VAT recoverable	7,233	13,080	5,524	13,527
Other debtors	2,811	1,824	2,811	1,824
	<u>365,098</u>	<u>136,793</u>	<u>352,792</u>	<u>299,047</u>

21 Cash and cash equivalents

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Cash on hand	32,267	9,422	32,267	9,422
Cash at bank	196,765	155,844	194,391	138,971
Short-term deposits	4,293	520	4,093	18
	<u>233,325</u>	<u>165,786</u>	<u>230,751</u>	<u>148,411</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

22 Creditors: amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Bank loans	6,256	7,410	6,256	7,410
Trade creditors	536,002	194,299	478,125	168,094
Hire purchase and finance leases	20,483	-	20,483	-
Other taxation and social security	30,381	23,717	30,381	23,717
Other creditors	12,034	20,784	12,034	20,784
Accruals	30,981	26,093	15,846	14,016
Deferred income	39,000	-	39,000	-
	<u>675,137</u>	<u>272,303</u>	<u>602,125</u>	<u>234,021</u>

Deferred income

	2024	2023
	£	£
Deferred income at 1 April 2023	-	13,194
Resources deferred in the period	39,000	-
Amounts released from previous periods	-	(13,194)
Deferred income at year end	<u>39,000</u>	<u>-</u>

	2024	2023
	£	£
Deferred income at 1 April 2023	-	13,194
Resources deferred in the period	39,000	-
Amounts released from previous periods	-	(13,194)
Deferred income at year end	<u>39,000</u>	<u>-</u>

23 Creditors: amounts falling due after one year

	Group		Charity	
	2024	2023	2024	2023
	£	£ (As restated)	£	£ (As restated)
Bank loans	35,674	40,885	35,674	40,885
Trade creditors	-	168,658	-	168,658
Other loans	1,200,000	1,200,000	1,200,000	1,200,000
Hire purchase and finance leases	14,380	-	14,380	-
Other creditors	-	-	125,478	-
	<u>1,250,054</u>	<u>1,409,543</u>	<u>1,375,532</u>	<u>1,409,543</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Group

Included in the creditors are the following amounts due after more than five years:

	2024 £	2023 £
After more than five years by instalments	4,379	11,245
After more than five years not by instalments	<u>1,200,000</u>	<u>1,200,000</u>
	<u>1,204,379</u>	<u>1,211,245</u>

Charity

Included in the creditors are the following amounts due after more than five years:

	2024 £	2023 £
After more than five years by instalments	4,379	11,245
After more than five years not by instalments	<u>1,325,478</u>	<u>1,200,000</u>
	<u>1,329,857</u>	<u>1,211,245</u>

Borrowings due after five years

The NHLF loan is secured on the Windermere Jetty Museum.

Under the Facility Agreement with the National Heritage Memorial Fund (dated 24 April 2019), the first repayment date falls on the fifth anniversary (24 April 2024). Repayments will only commence once Lakeland Arts achieves in-year operating profits in excess of £100k, with repayments calculated at 50% of the excess cashflows above this threshold.

Bank loans and overdrafts after five years

The bank loan is a bounce back loan extended to 10 years. The interest rate is 2.5% with capital repayments over 9 years from 6 July 2022 of £455.25pm.

Other loans after five years

Lakeland Arts (the parent company) has borrowed £125,478 from the endowment fund investments held by Lakeland Arts Trust (25% as allowed by the Charity Commission) and will repay this over 20 years paying interest at 5.25%.

24 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £22,778 (2023 - £21,744).

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Defined benefit pension schemes

Cumbria Local Government Pension Scheme

Lakeland Arts Trust is a member of the Cumbria Local Government Pension Scheme. This is a multi-employer scheme and the figures in these accounts are from the latest Mercer report on Lakeland Arts Trust's share of the scheme.

The date of the most recent comprehensive actuarial valuation was 31 March 2022.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was 2,318 (2023 - £10,900).

The total cost relating to defined benefit schemes for the year included in the cost of an asset was - (2023 - £-).

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2024 £	2023 £
Fair value of scheme assets	1,374,000	1,347,000
Present value of defined benefit obligation	(1,352,000)	(1,369,000)
Defined benefit pension scheme surplus/(deficit)	<u>22,000</u>	<u>(22,000)</u>

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2024 £
Present value at start of year	(1,369,000)
Current service cost	(2,000)
Interest cost	(64,000)
Actuarial gains and losses	6,000
Benefits paid	<u>77,000</u>
Present value at end of year	<u>(1,352,000)</u>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2024 £
Fair value at start of year	1,347,000
Interest income	64,000
Return on plan assets, excluding amounts included in interest income/(expense)	38,000
Employer contributions	2,000
Benefits paid	<u>(77,000)</u>
Fair value at end of year	<u>1,374,000</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Analysis of assets

The major categories of scheme assets are as follows:

	2024	2023
	£	£
Cash and cash equivalents	21,000	35,000
Equity instruments	509,000	492,000
Government bonds	183,000	189,000
Property	110,000	104,000
Other	551,000	527,000
	<u>1,374,000</u>	<u>1,347,000</u>

Return on scheme assets

	2024	2023
	£	£
Return on scheme assets	<u>(102,000)</u>	<u>(58,000)</u>

The pension scheme has not invested in any of the group's own financial instruments or in properties or other assets used by the group.

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2024	2023
	%	%
Mortality rate	1.50	1.75
Discount rate	4.90	4.90
Future salary increases	4.20	4.20
Future pension increases	2.80	2.80
Inflation	<u>2.70</u>	<u>2.70</u>

Post retirement mortality assumptions

	2024	2023
	Years	Years
Current UK pensioners at retirement age - male	22.00	22.00
Current UK pensioners at retirement age - female	24.00	24.00
Future UK pensioners at retirement age - male	23.00	23.00
Future UK pensioners at retirement age - female	<u>26.00</u>	<u>26.00</u>

Multi-employer plans

This is a defined benefit plan.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

25 Reserves

Group

	Pension reserve £	Total £
At 1 April 2023	22,000	22,000
Other reserve movements	<u>(22,000)</u>	<u>(22,000)</u>
At 31 March 2024	<u>-</u>	<u>-</u>

Group

	Pension reserve £	Total £
At 1 April 2023	340,000	340,000
Other reserve movements	<u>(318,000)</u>	<u>(318,000)</u>
At 31 March 2024	<u>22,000</u>	<u>22,000</u>

The trustees have considered accounting for an LGPS pension surplus and the asset ceiling. The trustees do not consider there is a surplus to recognise, as they do not believe there is an economic benefit. The charity is not able to claim a refund from the LGPS. The trustees have reviewed the report provided by Mercer, which provides additional information relating to accounting surplus as of 31 March 2024. The present value of future accounting service cost is lower than the present value of primary contributions, therefore a surplus should not be recognised.

26 Commitments

Group

Capital commitments

The charity was committed to payments for particular exhibitions which had not been paid for at 31 March 2024. The total amount contracted for but not provided in the financial statements was £23,750 (2023 - £Nil).

Charity

Capital commitments

The charity was committed to payments for particular exhibitions which had not been paid for at 31 March 2024. The total amount contracted for but not provided in the financial statements was £23,750 (2023 - £Nil).

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

27 Funds

Group

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2024 £
Unrestricted funds						
<i>General</i>						
General funds	94,914	2,547,054	(3,117,501)	41,499	500	(433,534)
<i>Designated</i>						
Pension scheme deficit	(22,000)	-	-	-	22,000	-
Total unrestricted funds	<u>72,914</u>	<u>2,547,054</u>	<u>(3,117,501)</u>	<u>41,499</u>	<u>22,500</u>	<u>(433,534)</u>
Restricted funds						
Windermere Jetty Construction	16,923,244	-	(155,378)	-	-	16,767,866
Windermere Jetty Capital	113,216	-	-	-	-	113,216
NLHF loan	(1,200,000)	-	-	-	-	(1,200,000)
Collections Fund	5,000	-	(4,851)	-	-	149
Blackwell Endowment	-	19,827	(19,827)	-	-	-
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Exhibitions and Collections	-	5,000	(5,000)	-	-	-
Social Enterprise Funding	7,306	-	-	-	-	7,306
Sir Nicholas Goodison Award	-	21,000	(563)	-	-	20,437
AH Nature & Partnership Grant	-	20,000	-	-	-	20,000
AH Participation & learning	-	5,000	(1,391)	-	-	3,609
Boat conservation grants	-	43,750	(42,750)	-	-	1,000
Going Places Grant	-	500	-	-	-	500
DCMS/Wolfson Climate Gallery	-	40,485	(39,056)	-	-	1,429
The John Ellerman Foundation	-	13,055	(2,034)	-	-	11,021
Esme Fairbairn Foundation	-	40,000	(6,250)	-	-	33,750
Amy Williams Workshops	-	1,982	(1,982)	-	-	-
Museums Association	-	150	(150)	-	-	-
Restricted legacy income	-	50,000	-	-	-	50,000
Total restricted funds	<u>15,849,929</u>	<u>260,749</u>	<u>(279,232)</u>	<u>-</u>	<u>-</u>	<u>15,831,446</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2024 £
Permanent						
Blackwell Endowment	547,860	-	(19,651)	(41,499)	28,290	515,000
Total funds	16,470,703	2,807,803	(3,416,384)	-	50,790	15,912,912
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
Unrestricted funds						
General						
General funds	318,619	2,575,109	(2,708,449)	(40,987)	(49,378)	94,914
Designated						
Pension scheme deficit	(340,000)	-	3,000	-	315,000	(22,000)
Total unrestricted funds	(21,381)	2,575,109	(2,705,449)	(40,987)	265,622	72,914
Restricted funds						
Windermere Jetty Construction	17,078,622	-	(155,378)	-	-	16,923,244
Windermere Boat Collection	19,040	-	(19,040)	-	-	-
Windermere Jetty Capital	276,874	5,000	-	-	(168,658)	113,216
Prior year adjustment for WJ retention	(168,658)	-	-	-	168,658	-
NLHF loan	(1,200,000)	-	-	-	-	(1,200,000)
Collections Fund	5,000	-	-	-	-	5,000
Architectural Heritage Fund	-	15,000	(15,000)	-	-	-
South Lakeland District Council	-	27,500	(27,500)	-	-	-
Blackwell Endowment	6,605	19,403	(26,008)	-	-	-
Kendal Town Council	-	5,000	(5,000)	-	-	-
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Social Enterprise Funding	10,000	-	(2,694)	-	-	7,306
Abbot Hall Redevelopment	43,123	20,000	(103,132)	40,009	-	-
Areti Charitable Trust	2,991	-	(2,991)	-	-	-
National Lottery Heritage Fund, Resilient Heritage	-	22,950	(22,950)	-	-	-
Boat conservation grants	-	90,500	(90,500)	-	-	-
The John Ellerman Foundation	-	13,194	(13,194)	-	-	-
Art Fund	12,752	4,998	(17,750)	-	-	-

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
Garfield Weston Foundation	37,592	-	(37,592)	-	-	-
Granada Foundation	-	5,000	(5,000)	-	-	-
Clore Duffield Foundation	18,826	-	(19,804)	978	-	-
Total restricted funds	16,143,930	228,545	(563,533)	40,987	-	15,849,929
<i>Permanent</i>						
Blackwell Endowment	585,000	-	-	-	(37,140)	547,860
Total funds	16,707,549	2,803,654	(3,268,982)	-	228,482	16,470,703

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Charity

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
Unrestricted funds				
<i>General</i>				
General funds	219,222	1,655,207	(2,312,098)	(437,669)
Restricted funds				
Windermere Jetty Construction	16,923,244	-	(155,378)	16,767,866
Windermere Jetty Capital Funds	113,216	-	-	113,216
NHLF loan	(1,200,000)	-	-	(1,200,000)
Collection funds	5,000	-	(4,851)	149
Boat conservation funds	-	43,750	(42,750)	1,000
DCMS/Wolfson Climate Gallery	-	40,485	(39,056)	1,429
Social Enterprise Funding	7,306	-	-	7,306
Esmee Fairbairn Foundation	-	40,000	(6,250)	33,750
Aurelius Trust (Blackwell Library)	1,163	-	-	1,163
Exhibitions & Collections funds	-	5,000	(5,000)	-
Sir Nicholas Goodison Award	-	21,000	(563)	20,437
AH Nature & Partnership Grant	-	20,000	-	20,000
AH Participation & learning	-	5,000	(1,391)	3,609
The John Ellerman Foundation	-	13,055	(2,034)	11,021
Going Places Grant	-	500	-	500
Amy Williams Workshops	-	1,982	(1,982)	-
Museums Association	-	150	(150)	-
Restricted legacy income	-	50,000	-	50,000
Total restricted funds	15,849,929	240,922	(259,405)	15,831,446
Total funds	16,069,151	1,896,129	(2,571,503)	15,393,777

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
Unrestricted funds						
<i>General</i>						
General funds	469,051	1,900,954	(2,069,796)	(40,987)	(40,000)	219,222
Restricted funds						
Windermere Jetty Construction	17,078,622	-	(155,378)	-	-	16,923,244
Windermere Jetty Capital Funds	276,874	5,000	-	(168,658)	-	113,216
Prior year adjustment WJ retention	(168,658)	-	-	168,658	-	-
NHLF loan	(1,200,000)	-	-	-	-	(1,200,000)
Collection funds	5,000	-	-	-	-	5,000
Windermere Boat Collection	19,040	-	(19,040)	-	-	-
Boat conservation funds	-	90,500	(90,500)	-	-	-
Social Enterprise Funding	10,000	-	(2,694)	-	-	7,306
Areti Charitable Trust	2,991	-	(2,991)	-	-	-
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Blackwell endowment income	-	26,008	(26,008)	-	-	-
Abbot Hall Redevelopment	43,123	20,000	(103,132)	40,009	-	-
South Lakeland District Council	-	27,500	(27,500)	-	-	-
National Lottery Heritage Fund Resilience	-	22,950	(22,950)	-	-	-
Architectural Heritage Foundation	-	15,000	(15,000)	-	-	-
The John Ellerman Foundation	-	13,194	(13,194)	-	-	-
Art Fund	12,752	4,998	(17,750)	-	-	-
Garfield Weston Foundation	37,592	-	(37,592)	-	-	-
Granada Foundation	-	5,000	(5,000)	-	-	-
Clore Duffield Foundation	18,826	-	(19,804)	978	-	-
Kendal Town Council	-	5,000	(5,000)	-	-	-
Total restricted funds	<u>16,137,325</u>	<u>235,150</u>	<u>(563,533)</u>	<u>40,987</u>	<u>-</u>	<u>15,849,929</u>
Total funds	<u>16,606,376</u>	<u>2,136,104</u>	<u>(2,633,329)</u>	<u>-</u>	<u>(40,000)</u>	<u>16,069,151</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

28 Analysis of net assets between funds

Group

	Unrestricted funds General £	Restricted funds £	Endowment funds Permanent £	Total funds at 31 March 2024 £
Tangible fixed assets	20,023	16,767,866	-	16,787,889
Fixed asset investments	-	-	426,805	426,805
Current assets	271,634	263,580	88,195	623,409
Current liabilities	(675,137)	-	-	(675,137)
Creditors over 1 year	(50,054)	(1,200,000)	-	(1,250,054)
Total net assets	<u>(433,534)</u>	<u>15,831,446</u>	<u>515,000</u>	<u>15,912,912</u>

	Unrestricted funds		Restricted funds £	Endowment funds Permanent £	Total funds at 31 March 2023 £
	General £	Designated £			
Tangible fixed assets	192,011	-	16,923,244	-	17,115,255
Fixed asset investments	178,373	-	-	547,860	726,233
Current assets	37,718	-	295,343	-	333,061
Current liabilities	(272,303)	-	-	-	(272,303)
Creditors over 1 year	(40,885)	-	(1,368,658)	-	(1,409,543)
Pension scheme liability	-	(22,000)	-	-	(22,000)
Total net assets	<u>94,914</u>	<u>(22,000)</u>	<u>15,849,929</u>	<u>547,860</u>	<u>16,470,703</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

Charity

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2024 £
Tangible fixed assets	20,023	16,767,866	16,787,889
Fixed asset investments	2	-	2
Current assets	319,963	263,580	583,543
Current liabilities	(602,125)	-	(602,125)
Creditors over 1 year	(175,532)	(1,200,000)	(1,375,532)
Total net assets	<u>(437,669)</u>	<u>15,831,446</u>	<u>15,393,777</u>
	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2023 £
Tangible fixed assets	192,011	16,923,244	17,115,255
Fixed asset investments	150,002	-	150,002
Current assets	152,115	295,343	447,458
Current liabilities	(234,021)	-	(234,021)
Creditors over 1 year	(40,885)	(1,368,568)	(1,409,453)
Total net assets	<u>219,222</u>	<u>15,850,019</u>	<u>16,069,241</u>

29 Analysis of net funds

Group

	At 1 April 2023 £	Financing cash flows £	At 31 March 2024 £
Cash at bank and in hand	165,786	67,059	232,845
Debt due within one year	(7,410)	1,156	(6,254)
Debt due after more than one year	(1,409,543)	159,489	(1,250,054)
Finance leases and hire purchase contracts	-	(34,863)	(34,863)
Net debt	<u>(1,251,167)</u>	<u>192,841</u>	<u>(1,058,326)</u>
	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	420,890	(255,104)	165,786
Debt due within one year	(5,463)	(1,947)	(7,410)
Debt due after more than one year	(1,412,846)	3,303	(1,409,543)
Net debt	<u>(997,419)</u>	<u>(253,748)</u>	<u>(1,251,167)</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2024

30 Related party transactions

Group

There were no related party transactions in the year.

Charity

There were no related party transactions in the year.

Accounts

Company registration number: 8162578

Charity registration number: 1153001

Lakeland Arts

(A company limited by guarantee)

Annual Report and Financial Statements

for the Lakeland Arts Group

for the Year Ended 31 March 2023

Stables Thompson & Briscoe
Chartered Accountants & Statutory Auditor
Lowther House
Lowther Street
Kendal
LA9 4DX

Lakeland Arts

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Lakeland Arts

Reference and Administrative Details

Trustees	M Benjamin
	S A Crewe
	K M Howarth
	A Karwa
	E Kentley
	A M Lyles
	J Mottram PhD
	D Reid MCIOF
	G F Rycroft
	E J Scott
Secretary	C Kennedy
Senior Management / Leadership Team	R Harris, Chief Executive
	L Garrett Hampson, Head of Marketing and Communications
	C Kennedy, Director of Finance and Resources
	C Robinson, Head of Innovation and Business Development
	B Muir, Head of Development
	A Saczek, Head of Visitor Experience
	H Stalker, Head of Curatorial
Charity Registration Number	1153001
Company Registration Number	8162578
Registered Office	The charity is incorporated in England.
	Abbot Hall Gallery
	Kirkland
	Kendal LA9 5AL
Auditor	Stables Thompson & Briscoe
	Chartered Accountants & Statutory Auditor
	Lowther House
	Lowther Street
	Kendal LA9 4DX
Solicitors	Baines Wilson
	Unit 3 Lancaster Business Park
	10 Mannin Way
	Lancaster
	LA1 3SW
Bankers	Barclays Bank Plc
	9 Highgate
	Kendal
	LA9 4DF

Lakeland Arts

Strategic Report for the Year Ended 31 March 2023

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2023, in compliance with s414C of the Companies Act 2006.

Chair's Foreword Annual Report 22-23

2022-23 has been a year of recovery, emerging from Covid-19 pandemic and managing the impact of the cost-of-living crisis. Trustees, staff, volunteers and our supporters deserve our sincere thanks for their dedication and commitment during this year.

A major highlight of the year was our successful application to Arts Council England (ACE) for another three years' funding as part of our partnership with two other major Cumbrian museums, Tullie House and Wordsworth Grasmere. The Cumbrian Museum Consortium has received ACE funding since it was established in 2012 and continues to develop and thrive. The consortium is making a significant impact on the Cumbrian cultural landscape, the county's economy, and the provision of art and culture to its communities.

Programming highlights include:

At Blackwell, Paul Scott's Cumbrian Blues; Paul is an internationally known ceramic artist who is based in Cumbria, also Amy Williams, another locally based artist, whose Unearthed exhibition featured a wonderful installation of oversized paper wildflowers representing ten extraordinary women. Both exhibitions supported our creative strategy of representing contemporary craft, inspired by the historic Arts & Crafts movement.

At Windermere Jetty Museum, Wrecked!, created in collaboration with the Knotted Project, local community physical theatre company and Field Studios was a family-friendly immersive experience and trail around the museum, which explored Windermere's long-lost shipwrecked boats and also highlighted the opportunities we all have to limit our environmental impact on the Lake. Wrecked! supported our aim to develop family audiences at Windermere Jetty.

We were delighted when the re-development project for Abbot Hall started in September 2022. This essential renovation work included electrics, flood resilience and internal and external decoration to enable us to open Abbot Hall again in May 2023. Our thanks go to the Cumbria Local Enterprise Partnership (CLEP), with Cumbria County Council as the accountable body, for providing funding towards the project through the Government's Northern Powerhouse initiative, made available to the CLEP from the Department of Digital, Culture, Media and Sport - and to all the individual donors who made the project possible. We'd also like to thank South Lakeland District Council who, as owners of the Abbot Hall building, led the project.

Steering our way through this challenging period and the many successes of 2022-23 must be credited to the dedicated Lakeland Arts staff, led by CEO Rhian Harris, and to our team of committed volunteers. I would also like to thank my fellow Trustees and the members of our Committees and Advisory Groups who work hard to maintain the highest standards of governance and accountability. I am hugely grateful to everyone who contributes their time and expertise for the benefit of Lakeland Arts and its visitors.

I would like to thank our regular funders - Arts Council England and the South Lakeland District Council for their continued support, as well as the many other trusts and foundations who have provided grants and donations during the year. My heartfelt thanks also go to our long-standing and newer supporters, to our Patrons, Benefactors and Friends, who are enthusiastic champions of Lakeland Arts and its work. We are very grateful to you all.

Diane Reid

Chair, Lakeland Arts

Lakeland Arts

Strategic Report for the Year Ended 31 March 2023

FINANCIAL REVIEW

In 22-23 income generated totalled £2.8M, of which £2.6M was unrestricted and £200K was restricted. This was a small increase on the 21-22 income which totalled £2.7M where the unrestricted income was £2.6M and the restricted income £148K.

Unrestricted funds in 22-23 are made up as follows, 29% (55% PY) from Donations, Grants and Legacies. 23% (18% PY) from Charitable Activities and 29% (24% PY) from Trading Activities, 19% (3% PY) from Other Income. The high level of Donations, Grants and Legacies income in 21-22 reflected the emergency support we received during the pandemic. 22-23 the figures reflect the new post-pandemic normal.

Total resources expended were £3.268M (£3.835M PY), which is a reduction from 21-22. Included in the 21-22 costs was an £700K adjustment for the impairment of the AH development, which was a one-off adjustment.

At 31st March 2023 the carried forward restricted funds balance is reporting a surplus of £16.02M and the carried forward unrestricted funds balance reporting a surplus of £73K.

Policy on reserves

The Board have set a reserves policy equivalent to two month's unrestricted charitable expenditure. The Board aspires to build reserves as soon as reasonably possible beyond this minimum amount to a forecast surplus position.

Principal funding sources

The principal sources of funding for the costs of operating Blackwell the Arts & Crafts House ,Windermere Jetty Museum and Abbot Hall Art Gallery are Arts Council England, various grants, investment income, membership fees, donations, gift aid and earned income.

Investment policy and objectives

The charitable company has the power to make investments as it sees fit. The investment policy determined by the trustees for the endowment funds is to provide a balanced return from a broad spread of medium risk investments, and for general funds to provide a higher income from a spread of lower risk investments.

The investment policy is implemented by professional investment managers Sarasin & Partners LLP.

Lakeland Arts

Strategic Report for the Year Ended 31 March 2023

Principal risks and uncertainties

Major risks

All significant activities undertaken are subject to a risk review as part of the initial project assessment and implementation. Major risks are identified and ranked in terms of their potential impact and likelihood. Major risks, for this purpose, are those that may have a significant effect on:

- Operational performance, including risks to staff, volunteers and visitors;
- Achievement of aims and objectives; or
- Meeting the expectations of beneficiaries or supporters.

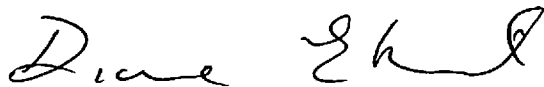
The trustees review these risks on an ongoing basis and satisfy themselves that adequate systems and procedures are in place to manage the risks identified. Where appropriate, risks are covered by insurance. The following framework is central to ensuring adequate risk management:

- Regular monitoring of major risks and development of disaster recovery plans;
- Embedding risk identification and assessment within operating procedures;
- A clear structure of delegated authority and control; and
- Maintaining reserves in line with set policies.

In assessing risk the trustees recognise that some areas of work require the acceptance and management of risk if key objectives are to be achieved. The trustees have reviewed the major risks to which the charitable company is exposed and identified control and mitigation procedures, under the headings of:

- Governance;
- Operational;
- Financial;
- Environmental; and
- Compliance.

The strategic report was approved by the trustees of the charity on 19 December 2023 and signed on its behalf by:



.....
D Reid MCIOF
Trustee

Lakeland Arts

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2023.

Trustees and Officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:

E M Astle (appointed 23 September 2022 and resigned 7 October 2023)
M Benjamin
C W N Crewdson OBE JP (resigned 27 May 2022)
S A Crewe
K M Howarth
J C Hudson FREng (resigned 27 May 2022)
A Karwa (appointed 27 May 2022)
E Kentley
A M Lyles (appointed 23 September 2022)
J Mottram PhD
D Reid MCIOF
B Riley (resigned 27 May 2022)
G F Rycroft
E J Scott
N W R Thompson (resigned 7 October 2023)

Secretary: C Kennedy

Senior Management / Leadership Team:

R Harris
L Garrett Hampson
C Kennedy
I Read (resigned 28 February 2023)
C Robinson
J Wilson (resigned 6 June 2022)
B Muir (appointed 6 June 2022)
A Saczek
H Stalker (appointed 1 April 2023)

Objectives and activities

Objects and aims

Our Vision is to use the power of culture and the artistic creativity, landscape and heritage of Lakeland to transform lives and enrich communities.

Lakeland Arts

Trustees' Report

We achieve this through remarkable venues, rich collections, engaging programme and passionate people all connected by a powerful sense of place. The work we do is rooted in our local community and has a transformative effect on visitors and audiences.

Strategic Objectives:

The delivery of our vision and our mission over the next five years is centred on four key objectives we've identified as integral to ensuring Lakeland Arts builds on its reputation as one of the most remarkable cultural and heritage organisations in the North of England

Strategic Objective 1: Curating and Caring

To care for our collections and challenge our thinking so that people from all walks of life - and from near and far - can explore and take inspiration from our world-class offering.

Strategic Objective 2: Reaching Wider

We will strive to reach more people as we become better known and more accessible to a wider range of visitors. Key to this is being clear about our work and how we can appeal to different audiences.

Strategic Objective 3: Engaging and Empowering

We will build a culture of care, respect and inclusion with people at the heart of our organisation. We believe museums are about sharing stories and are places where debate and discussion are encouraged.

Strategic Objective 4: Sustainable and Resilient

We will build for the future by becoming a more dynamic, financially secure, environmentally aware, and socially sustainable organisation.

Objectives, strategies and activities

Our Activities

Context

Cumbria Museum Consortium, of which Lakeland Arts is a member alongside Tullie House and Wordsworth Grasmere, celebrated a successful application to Arts Council England for National Portfolio funding for the period 2023-2026. The consortium has received ongoing funding from ACE, since it was set up in 2012.

We were especially pleased with the consortium's success given that the Arts Council received a record number of applications. This NPO funding will enable us to continue the activities through which we enrich the lives of people of all ages, throughout Cumbria and beyond. We also retained the additional grant, as Lakeland Arts to lead on contemporary commissioning for the consortium.

Separately, CMC has also been awarded £490,000 by the Department for Digital, Culture, Media and Sport through Volunteering Futures delivered by Arts Council England. With our partners, we will be delivering Helping Hands, an ambitious 2-year project to transform volunteering in Cumbria and foster inclusivity in the arts and cultural sector. Helping Hands will improve community wellbeing, grow capacity and workforce diversity across the Cumbrian cultural sector, address loneliness and isolation and break down barriers to volunteering that exist across a large, complex, rural county.

Lakeland Arts

Trustees' Report

During 2022-23 Lakeland Arts was affected by macro-economic factors: the war in the Ukraine, cost of living and energy crisis and inflation increasing. Research clarifies that the national visitor economy and cultural sectors have been severely impacted by all the above and is particularly challenging after two years of Covid.

Recruitment continues to be an issue in our sector, there are much-publicised issues in the visitor experience and hospitality sectors, but other roles have also failed to attract the required number and quality of candidates. We are mitigating this concern by supporting some areas with freelance capacity.

Therefore during 22-23 visitor numbers and related earned income have not recovered as swiftly as anticipated by the sector. National cultural and tourist organisations are estimating that visitor figures are between 50-70% of what they were pre-Covid and that this will take some years to recover.

The local picture is echoing the national one, with Cumbria Tourism statistics stating that there are 25% less visitors to Cumbria in 2022 than last year and 40% less than in 2019.

To mitigate the impact of lower visitor numbers, Lakeland Arts undertook a restructure in November 2022, as part of a plan to reduce costs and diversify the organisation's sources of earned income, as well as receiving a successful business interruption insurance claim.

Programming Highlights

Exhibitions

BLACKWELL

"We have been back three times. Blackwell is the loveliest of the Arts and Crafts houses we have seen." Visitor to Blackwell, November 2022

Maddie Humberstone - Lost in Cumbria, March - May '22

Featuring new work by local artist and activist, Maddy Humberstone, *Lost in Cumbria* was a multimedia installation that explored the plight of Cumbria's rare and endangered species. Produced over ten months, the artist created each piece in partnership with her local community of Kirkby-in-Furness, enlisting the help of local primary schools, the Kirkby-in-Furness Ladies Supper Club and internationally renowned designer, Deborah Milner, who was born and raised in the village.

Inspired by the Arts & Crafts Movement's philosophy to return to nature, the installation grew organically from Blackwell's rowan frieze, transforming the gallery and inviting the outside in. The backdrop of the installation was an Arts & Crafts inspired wall hanging which featured endangered or already extinct Cumbrian animals in its design.

The exhibition is the first in Blackwell's *New Year New Make* series, in which emerging artists are invited to work with community groups to create new work.

"Just beautiful, the level of detail is extraordinary." Visitor to Maddie Humberstone exhibition

Alumina, August '22

Throughout August 2022, a selection of glass and ceramics from the University of Sunderland's degree show was on display at Blackwell, the Arts and Crafts House.

This was created through Lakeland Arts' ongoing partnership with the University of Sunderland on a project called 'Alumina', an exchange programme of knowledge and opportunities first conceived in 2019.

As part of the project, the University of Sunderland delivered ceramics workshops for local schools in South Lakeland. In return, Lakeland Arts gave emerging artists, designers and makers from the University of Sunderland the opportunity to display their work at Blackwell.

Lakeland Arts

Trustees' Report

James Fox - Something in Common, June'22 - October '22

This exhibition by textile artist James Fox explored public land rights and how craft can be used as a force for change. Fox's new commissioned work investigated society's relationship with the countryside. Displayed alongside key landscape paintings from the Lakeland Arts collection including artists such as Ben Nicholson, Sheila Fell and L S Lowry, the exhibition examined the history of public land rights and highlights how the subtle use of craft can be used to subvert power in society.

Something in Common explored a subject that is deeply intrinsic to the philosophy of the Arts & Crafts Movement - our relationship with nature and the land. Using traditional hand stitching techniques, James Fox's work highlights key moments in the history of that relationship, from the enclosure of Common Land to the Mass Trespasses on Kinder Scout.

For this Lakeland Arts commission, Fox collaborated with actress Maxine Peake, banner maker Ed Hall, print manufacturer Alexander Maverick and jewellery maker Steve Martindale. The commission formed part of Blackwell's 'Year of Protest' programme which features exhibitions by artists who use their craft to create positive social change.

Paul Scott - Cumbrian Blue(s) October '22 - January '23

Paul Scott (b.1953) is an internationally renowned artist based in Cumbria.

This exhibition, exhibited throughout the house and in the temporary exhibition space included work from throughout Paul Scott's career, with a particular focus on works that consider the exploitative legacy of industry and its impact on both humankind and the environment, a concern found at the heart of the Arts & Crafts Movement, and one deeply considered by the artist himself.

Scott's upcycled transferware is a thoughtful social and political statement, on some of the most pressing issues of the day, from climate change and energy production to refugees and the legacy of slavery.

Paul Scott's work was displayed alongside transferware from Lakeland Arts' own collection to juxtapose the contemporary and historical.

Along with James Fox and Maddie Humberstone, the exhibition was part of Blackwell's 2022 'Year of Protest', showcasing artists who use their craft for positive social change.

"We really enjoyed our visit and the Paul Scott exhibition. We did lots of drawings." Langdale School

Amy Williams - Unearthed, Jan - June '23

Unearthed was a vibrant installation of oversized paper wildflowers representing ten extraordinary women by Kendal-based visual artist Amy Williams. Produced with local community groups over a six-month period, the installation unearthed hidden or lesser-known stories of women from Cumbrian history, who through their skill, dedication and compassion brought about positive social change.

Connecting directly with the house, the installation took visual inspiration from the flora and fauna found in Blackwell's historic Arts & Crafts interiors, creating a larger than life indoor botanic garden. The exhibition explored the symbolism of flowers as an act of remembrance and as representations of femininity, resilience and resistance. To create the exhibition, Williams worked with community groups across South Lakeland to create a 'community garden' of smaller paper flowers. Participants were encouraged to share stories and to create a flower sculpture that pays tribute to an extraordinary Cumbrian of their choice.

The project was supported by James Cropper paper mill as well as the Westmorland Arts Trust Fund via Cumbria Community Fund, whose support enabled Williams to engage more widely with the community.

"I've never been anywhere like this before. I love the little hidey holes." Visitor to Blackwell, May 2022

Lakeland Arts

Trustees' Report

WINDERMERE JETTY MUSEUM

Wrecked!, May '21 - May '22

The Wrecked! exhibition opened at the end of May 2021 as a family-friendly experience and trail around the museum which explored Windermere's long-lost shipwrecked boats including The Mournful Marriage, a tragic ferry accident that took place on Windermere, the early accidents of the first steamboats and amazing rescues of boats pulled from the depths of Windermere.

Visitors of all ages explored an immersive experience that asked them to solve puzzles, reveal secrets, and discover stories that were once lost to the water. Wrecked! spanned both the indoor and outdoor spaces of the museum.

Wrecked! also highlighted the opportunities we all have to limit our environmental impact on the lake and help protect the lake for future generations.

The exhibition was developed alongside children from St Martin and St Marys Primary School in Windermere. It also included recording two oral history interviews using video conferencing for the first time; enabling us to collect the fascinating story of a helicopter crash on Windermere in 2001, and a first-hand account of the raising of Steam Launch Dolly in 1962.

Most of the items in the exhibition have never been displayed to the public before. Two of the 'shipwrecks' are model boats which were found in the Windermere Steamboat Museum collection. Using documentation research, we confirmed that they were a historic loan from the Lakeland Museum collection and had been dug out of Windermere silt near Cockshott Point.

"Best museum we have taken them to. Honestly - they engaged and learned and laughed!" Boys aged 7 & 10 on holiday.

Barbara Nicholls, May - September '22

A display of Barbara Nicholls' monumental watercolours occupied the temporary exhibition space. Inspired by the presence of water in the landscape, the works were reflective of the dramatic environment of the Lake District. Monumental in scale, her works emerge from a process of manipulating pigment in large quantities of water.

This display added another dimension to the experience of museum and its collection. With views across Lake Windermere visible from the gallery, Nicholls' work reflected the awe experienced when engaging with this landscape and allows us to imagine what lies beneath, in the hidden depths of this incredible body of water.

Juliet Gutch - Dovetailing, May - July '22

Occupying the old Fire Station and entrance area, Dovetailing was an immersive installation inspired by luthiery (the making of stringed musical instruments). It was a collaborative project which was developed remotely during lockdown between sculptor Juliet Gutch, filmmaker Clare Dearnaley and composer Sally Beamish.

Responding to the shapes and forms of stringed instruments, Gutch created a series of suspended wooden mobiles. Using film, Dearnaley wove together the movement of the mobiles, natural sounds, elements of the workshop process and original music by composer and viola player Beamish.

Dovetailing demonstrated the relationship between precise craftsmanship and the natural world, echoing the processes of boat building and restoration that take place in Windermere Jetty Museum's Conservation Workshop. The title of the project described the interlocking dovetail joint in carpentry which makes a strong and seamless union of separate pieces of wood. The word has also been used in orchestration, describing the technique of overlapping musical lines between two instruments. The multiple layers of meaning resonated strongly with the museum setting which is a hub for heritage boat conservation, art and outstanding natural beauty.

Lakeland Arts

Trustees' Report

"Visited the Windermere Jetty Museum yesterday with my wife and wheelchair-bound friend. Just wanted to let you know we had a thoroughly interesting visit. Made even better by the enthusiastic talk which provided a great introduction, resulting in a more meaningful visit. My wheelchair bound friend found the floor surfaces in the museum very good for getting around. Staff very friendly and helpful. Thank you." Visitor to the Windermere Jetty Museum November 2022

LICAF - Yellow Submarine, September '22 - January '23

As part of the 2022 Lakes Comic Arts Festival, Windermere Jetty Museum hosted the exhibition, Yellow Submarine - Bill Morrison's Odyssey Through Pepperland.

In 2018 Bill Morrison, one of America's most respected comic artists, was commissioned by Titan Comics to mark the 50th anniversary of The Beatles film, Yellow Submarine. His graphic novel is a joyful celebration of this landmark animation that was central to the shaping of the psychedelic 60's.

Bill, creator of the Yellow Submarine graphic novel, has worked with The Simpsons creator Matt Groening as an illustrator and writer for The Simpsons and its associated comics, as Art Director of Futurama, and Executive Editor of Mad magazine.

Featuring sketches, preparatory work and some rare examples of The Beatles in comics, Yellow Submarine - Bill Morrison's Odyssey Through Pepperland exhibition charted the creation of a unique piece of visual storytelling.

Forty Farms, March '23 - June '23

Windermere Jetty Museum hosted the exhibition *Forty Farms* by British Life Photographer of the Year, and Cumbrian farmer, Amy Bateman. *Forty Farms* offers a unique insight into the everyday lives, fears and hopes of 40 extraordinary farmers, through photography, products, film and words to create an immersive experience.

Forty Farms was making its first stop on a national tour at WJM from 4 March. It received excellent feedback and good footfall at Rheged Gallery. Prints in the displays and the *Forty Farms* book that inspired the exhibition sold well during the exhibition run. The exhibition was well attended and received by both locals and visiting audiences. A series of photography workshops and talks accompanied the exhibition.

"Forty farms gives an interesting insight into farming life, very impressed." Visitor to the Windermere Jetty Museum, March 2023

Ridiculous Romantics, June - September '22

The Ridiculous Romantic Landscapes display was developed for Windermere Jetty Museum alongside the exhibition, Ridiculous Romantic Portraits at Wordsworth Grasmere. Both exhibitions were based on the question of what draws tourists, nature lovers, and locals to visit awe-inspiring locations while overlooking the breath-taking Windermere.

Visitors were able to explore the funny side of our relationship with the natural world focusing on unexpected celebrations of city life, complaints about the countryside, and sightings of some literary mermaids. The Ridiculous Romantic Portraits exhibition at Wordsworth Grasmere responded to portraits of Romantic poets and artists, from William and Dorothy Wordsworth to lesser-known figures like Charlotte Smith and James Gillray.

Lakeland Arts

Trustees' Report

Both exhibitions were developed by Dr Andrew McInnes, Reader in English Literature at Edge Hill University, together with school students from Rainford High in St. Helens, Merseyside and St Mary's Catholic High School in Astley, Greater Manchester.

The exhibitions aimed to show a different way of thinking about the natural world and Romanticism, focusing on bringing people together in joy rather than the more traditional view of the melancholic, lonely writer.

The Arts and Humanities Research Council funded the Romantic Ridiculous project created by Dr McInnes, bringing together curators from the Cumbria Museum Consortium, school students and the public to celebrate art and poetry.

"Been to museums all over the world and this was the best ever." "I know nothing about boats, but I've had an amazing time."

Visitors to the Windermere Jetty Museum, March 2023

Collections and Displays

Acquisitions

There were 5 acquisitions into the Lakeland Arts collection:

- A Borwick's roll map of Windermere
- 2 x drawings by Charmaine Watkiss (via the Contemporary Arts Society)
- The Barry Croft archive and additional Royal Windermere archival material
- Photograph of Joyce Leplea Thompson as a child on the Calgarth estate

Collections loans out

Exhibition Loans Outgoing (England)

Borrowing Institution	Quantity
The Lightbox, Woking	1
TOTAL	1

Exhibition Loans Outgoing (rest of UK)

Borrowing Institution	Quantity
None	-
TOTAL	-

Exhibition Loans Outgoing (International)

Borrowing Institution	Quantity
Bundeskunsthalle, Germany	1
Kestner Gesellschaft, Germany	3
TOTAL	4

Lakeland Arts

Trustees' Report

Collection care and documentation

- The curatorial team continued their audits of the social history store at Lakeland Museum and the Small Object Store at Windermere Jetty Museum, with the assistance of two regular volunteers. During these audits, approximately 200 objects have been entered onto Modes.
- A volunteer is working on the boat builders' oral history recordings, and has completed transcriptions of the three Branksome sessions.
- The works on paper audit has continued at Abbot Hall picture store with 75% of previously undocumented works now uploaded to Modes.
- Documentation work is underway with the Blackwell library collection with the ambition for it to become accessible in 2023/24.
- As part of documentation reconciliation, a new system has been devised for recording orphan loans and this has been consistently updated.
- The curatorial team continued to undertake weekly conservation cleaning at Blackwell (2 people for 2 hours) and Windermere Jetty Museum (1 person for 1 hour), supplemented by winter deep cleans during the January closure.

"I was here the day after Prince Charles opened Blackwell and I have been coming back ever since. There are always new details to discover. It looks to much better now with the beautiful rugs and furnishings. It is all done so cleverly." Visitor to Blackwell, August 2022

Participation and Learning

Forge Festival

Forge Festival is a two-year project, led by The Knotted Project (Cumbrian based community theatre company), with a number of funding partners across Cumbria and by Arts Council England. Lakeland Arts is a major partner and supported the development of the Forge Festival with funds and performance spaces.

Part of the Forge Festival (May 2022) was to develop four young companies across Cumbria, of which one was based at Windermere Jetty Museum for those children and young people living locally. Research undertaken by The Knotted Project in 2020 revealed that young people aged 16 - 24 felt there was a lack of opportunities to be creative in the area. The target age group for the young company at Windermere Jetty Museum focused on 16-24 age range. The majority of the group of young people involved with the project, were neurodivergent and many struggling with confidence. Over the workshops they developed confidence, a tight social group, respect and love for the site and created their own original written performed and musical pieces.

"The performances were polished, and the pieces had clearly been devised with passion. It was a great way to give young people a voice." Forge Festival Audience member

Forge Festival performances are planned for 1 May 2023

CliMART

CliMART is a co-produced project working with young people from across Cumbria who are passionate about the environment and are interested in campaigning and making a difference in relation to climate justice issues. CliMART seeks to support and empower Cumbrian young people by exploring ideas around art as activism.

Lakeland Arts works in partnership with other local organisations as part of this project including CDEC (Cumbria Development Education Centre) Young Climate Leaders programme, CAfS (Cumbria Action for Sustainability) Climate Cafe and Cumbria County Council (and the South Lakes Youth District Council).

Lakeland Arts

Trustees' Report

CLiMART is a long term, youth-led project which will grow and develop over time. We will also invite young people involved in the project to contribute to the curation of our new climate focused exhibition of Lakeland Arts collection at Abbot Hall when it reopens in 2023; alongside work they have created themselves.

During 2022/23 the project took felt badges, collaborative banner and printed zine workshops to secondary school eco councils across the county. The project aims to use as many ethically sourced materials as possible, such as scrap diverted from landfill sourced from Ragtag Arts Community Scrapstore.

MART Creatives

This formal learning programme, working in schools for children and young people, launched in September 2021, much of the planning work took place in academic year 2021/22, and the work officially started in 2022/23.

This programme sets out an ambition for long term creative partnerships with identified Cumbrian primary schools and explores how we as an arts organisation can work with staff and students to develop an enhanced curriculum. Lakeland Arts believe that although a one-off visit to one of our sites can be a wonderful, enriching experience, on its own it will not transform the creative confidence of the whole school.

We feel strongly that a long-term programme of opportunities that seeks to enhance and extend the experiences, skills and understanding of both staff and students about arts, culture and creativity will transform the creative life of the whole school community. As part of MART Creatives each primary school will benefit from the following:

- A whole day's worth of CPD for their staff.
- A self-guided visit to a Lakeland Arts site.
- The opportunity for one year group to work with Lakeland Arts collection items and a Creative Producer, to take inspiration from the work and create their own work through a half day workshop at Blackwell - the Arts & Crafts house and a whole day workshop at their school.
- An exhibition of the work made by the identified year group at Blackwell - the Arts & Crafts house.

MEND

MEND is a community-focused project introduced in response to the Covid-19 pandemic, aimed at connecting people across Cumbria through creative collaboration and shared experiences. The pandemic changed the way all of us live; from how we work, learn and spend our free time to how we feel and interact with others.

"The MEND project grew out of a discussion around the act of mending, about how it can be an act of repairing and making. Making mends objects, minds, communities, and hearts, everyone is creative in their own way. By taking our MEND van out to different locations we are aiming to deepen our understanding of what people in Cumbria need and want from our arts and heritage venues. This will help us to keep improving what we offer and make lasting connections county wide. Our exciting oral history project will ensure that contemporary culture and stories of this region are preserved for future generations."

Lakeland Arts

Trustees' Report

Boat Conservation

We continue to develop specialist boat conservation skills at Windermere Jetty Museum. Throughout 2022-23 the team has carried out a comprehensive programme of ongoing maintenance for Lakeland Arts' outdoor, floating, and operating boats within the collection. The team has also carried out complex and detailed work as dedicated projects to conserve and restore specific boats from the collection.

Work during this period has included:

- **Raven**

Replacing 60% of the pitch pine deck including covering boards around the hull periphery and working inboard up to the cargo hatches.

- **Esperance**

Fabricating a cradle to allow the hull to be moved into the workshop for repairs.

- **Osprey**

Reverse engineering and remanufacturing pistons, piston rings and slide valves. Reboring the cylinder head and facing the valve seats.

- **Lady Elizabeth**

Completing the replica boiler, installing it in the hull and piping up the steam, paraffin, and water feed systems.

As National Historic Ships Northern Hub we have continued to develop our profile as a centre of excellence for boat conservation, hosting an event for the region, conducting surveys on historic vessels, and providing advice.

"Fascinating, is this a unique museum with exhibits and live conservation taking place?"

Visitor to the Windermere Jetty Museum, March 2023

Earned income

The commercial operation of Lakeland Arts is run by Lakeland Arts Enterprises Ltd, Lakeland Arts' wholly owned trading subsidiary which undertakes all non-primary objects of the charity and donates the net income to the charity on an annual basis.

Weddings, venue and location hire

Lakeland Arts welcomed its first full exclusive wedding ceremony and reception in May 2022 at Windermere Jetty Museum. Lakeland Arts also began actively welcoming wedding shoots and proposals. This continues to be a growing area of revenue for the organisation and offers a range of different opportunities for Lakeland Arts. Lakeland Arts also hosted numerous room and venue hires for corporate and private functions, as well as continuing to secure location hire bookings. Again, this is all a growing area of revenue and continues to be developed.

Visitor Experience

The visitor experience has focused on key areas for development; creating a visitor-centric culture, engaging and empowering our people, creating exciting and inspiring experiences and being sustainable and resilient. This has been actioned through engaging and valuable training for colleagues, actively listening to and understanding visitor expectations and wishes for Lakeland Arts, creating a welcome and can-do culture by lifting barriers to engagement and providing excellent value for money. The final point here relates to the introduction of the annual pass in July 2022 which has been exceptionally well received. In turn this has been hugely beneficial to the organisation by way of Gift Aid donations, this has more than doubled at both Windermere Jetty Museum and Blackwell.

Lakeland Arts

Trustees' Report

Events and activities

Lakeland Arts has focused on a period of growth in terms of events, partnering with a number of external event organisers to help establish Windermere Jetty Museum as a venue for quality events and activity, this includes those closely linked to the venue's core purpose (Wooden Boat Gathering and Model Boat Regatta) as well as those which speak to the organisation's vision and values by way of supporting creative development and enjoyment of the arts (Dance, Music, Comic Arts, Performance and Film events). Blackwell has focused on delivering events and activities which enrich the visitor's experience of the house and the Arts & Crafts period, from talks and tours to artist led art and craft activities.

Catering and Retail

Lakeland Arts has continued to feel the effects of the staffing crisis and has also seen a downturn in some areas as a result of economic factors, this is primarily seen in retail at Blackwell where higher priced items haven't sold as well as seen in the past. A revised vision and set of strategies for both catering and retail has been implemented. This has seen an elevated catering offer from traditional café fare to dishes where detail in the presentation and range of flavours nod towards fine dining but at affordable prices. The focus for both catering and retail have aimed to create full memorable and meaningful experiences as both complimentary to the core offer and as attractions in their own right. Windermere Jetty Museum Café is the best example of this, attracting three times as many visitors as the museum. Retail at Windermere Jetty has gone from strength to strength, with product ranges which embed core themes of design, innovation and inspiration. Retail across both Blackwell and Windermere Jetty Museum has also been actively developed in relation to the temporary exhibitions, this creates a changing and relevant offer which has proven to be very successful.

Lakeland Arts continues to operate an online shop which offers a variety of products, the most popular of which continues to be the Blackwell bespoke range. The online shop provides an additional income stream which has potential for growth.

Raised Income

Lakeland Arts is grateful for the donations, grants and sponsorship we receive from all the individuals and organisations who support us. The support means we are able to continue our work, helping us to conserve our Grade I listed buildings, care for and develop the Trust's collections, promote world-class art and heritage and deliver exciting exhibition and learning programmes. Lakeland Arts would like to sincerely thank all the individuals and organisations mentioned in this report, and all those who wish to remain anonymous.

Following the appointment of a new Head of Development in June 2022, a new fundraising strategy has been developed and implemented from December 2023, aligning with the new creative vision for Lakeland Arts. £947K was raised in the year ending 31 March 2023, representing 29% of our overall income in 2022-23. Valuable support came from a range of sources, including individual donors, trusts and foundations, statutory funders and corporate organisations. Lakeland Arts continues to receive support from our Friends, Patrons and Benefactors, raising a total of £62K in 2022-23 from membership schemes.

As a member of the Cumbria Museum Consortium, Lakeland Arts receives core funding from Arts Council England as an NPO organisation, working in partnership with Tullie House Museum and Art Gallery and Wordsworth Grasmere. Statutory funder support for our core NPO activities was also received from Cumbria County Council. South Lakeland District Council (to be known as Westmorland & Furness Council from April 2023) and Kendal Town Council supported our programme activities.

Restricted funding to support specific projects and activities included grants from the Sir John Fisher Foundation, the John R Murray Charitable Trust, the Hadfield Trust and the Aslackby Foundation towards boat conservation and restoration work.

Lakeland Arts

Trustees' Report

Marketing and Communications

While visitor numbers continued to improve at both Windermere Jetty Museum and Blackwell, recovery from the Covid pandemic was slower than anticipated for both international and British audience, particularly visitors over the age of 55, in line with cultural venues across the UK.

The marketing team was able to continue to produce digital and print marketing materials, returning to higher levels of visibility through out of home marketing and to local audiences with a particular focus on families with school age children. A shift to advertising in local and UK wide family and tourism publications was made.

Member communications were more consistent and involved a shift from online content to more event support.

The shift to increased digital marketing greatly increased further, with more email and social media marketing and continued streamlining of the website. The team also focused on working closely with the Curatorial and Conservation teams to produce a strong bank of images and messaging, particularly with Abbot Hall collections decant and boat conservation.

Windermere Jetty Museum continued to be a popular filming destination with film crews on site throughout the year. The Marketing team supported with a variety of commercial testing, including establishing an online shop, promoting weddings and event hire at Windermere Jetty Museum and Blackwell and commercial projects such as Total Adventure.

Staffing and weather continued to cause challenges with regular site or partial site (e.g. tea room) closures.

The team went through a restructure in late 2022 and depended on contracts to support through the reopening of Abbot Hall.

The team continued to use Audience Agency profiling system to diversify audiences and produced over 300 visitor surveys on site.

Capital projects

The redevelopment of Abbot Hall began in September 2022, with works led by South Lakeland District Council. Essential capital works and repairs to the gallery building, including electrics, environmental sustainability and flood resilience, and necessary decoration, were undertaken as the first phase of a longer-term masterplan project to re-develop the Kendal site.

Abbot Hall reopens in May 2023 with an exhibition by international land artist Julie Brook, complemented by a new public sculpture created at Holker Hall, which opened to the public in March 2023.

Lakeland Museum remains closed to enable further planning and consultation for future phases of the masterplan for the Kendal site.

Fundraising disclosures

As an accredited museum Lakeland Arts adheres to the Museums Association Code of Ethics for Museums. The Code defines the ethical principles which guide museum practice and underpin policy and practice regarding the development of museum collections. An ethical approach to museums also underpins the Accreditation Standard. This code supports museums, those who work in and with them, and their governing bodies in recognising and resolving ethical issues and conflicts. It sets out key ethical principles and the supporting actions that museums should take to ensure an ethical approach to their work in relation to their audiences, local communities, donors, source communities, partner organisations, sponsors and funders. Lakeland Arts is an organisational member of the Museums Association.

Lakeland Arts has a set of policies that ensure we implement and adhere to the Museums Association Code of Ethics, including in relation to donors and funders. These include our Privacy Policy and our Safeguarding Children and Vulnerable Adults Policy, which applies to all staff, trustees, volunteers, and contractors, and sets out how we would recognise and deal with incidents of suspected financial abuse.

Lakeland Arts

Trustees' Report

During the year Lakeland Arts did not contract professional fundraisers from a third-party business to carry out fundraising on its behalf.

In the current year Lakeland Arts did not receive any complaints about activities by the charity or by a person on behalf of the charity for the purpose of fund-raising.

BENEFACTORS AND PATRONS *(as of 31.03.23)*

Benefactors

Mr and Mrs A Ambler
Mr and Mrs T J R Harding
Mr and Mrs J Hudson
Dr A C I and Mrs Naylor
Mr and Mrs JS Rink
Mr and Mrs M Southern
Dr J P L Welch
Mrs J Wood

Patrons

Mr M Ainscough
Mr C H Bagot and Mrs S Bagot MBE
Mr and Mrs J Campbell
Mr and Mrs D Case
The Lord and Lady Cavendish
Mr C Crewdson OBE and Mrs Crewdson
Sir James Cropper KCVO
Mr and Mrs W Dufton
Ms W Ellis
Mr and Mrs N J Fleming
Mr and Mrs J Forsyth
Mr and Mrs M Gibbons
Mr and Mrs R Hasell-McCosh
Miss S Keegan
Susan, Lady Kimber
Mr and Mrs J Lee
Mrs D Matthews
Mr J S Nicoll and Ms L Colchester
Mr T C Parker
Mr P Kessler MBE and Miss D Rose QC
Sir Christopher and Lady Scott
Mr and Mrs A Scott
Mr J H Townson
Mr and Mrs G M Wallace
Mrs M Warburton
Mr and Mrs P M White
Mrs C Lomas Whittle
Mr C Woodhouse CVO
Mr J N C Woodhouse

And all those who wish to remain anonymous

Lakeland Arts

Trustees' Report

Public benefit

Abbot Hall was opened as an art gallery in September 1962 and has since built up an outstanding art collection and created a strong exhibition programme.

In 1971 the Lakeland Museum (formerly the Museum of Lakeland Life & Industry) was opened in the coach house and stable block at Abbot Hall and developed an important and extensive collection relating to the social and industrial history of the Lake District and Kendal.

In July 2001 Blackwell was opened, a Grade 1 Listed house, in a stunning position above Lake Windermere, looking across to the Conistone Fells. Designed by MH Baillie Scott and completed in 1900, this is one of the most important Arts and Crafts houses in the UK with a national reputation for its programme of exhibiting historic and contemporary crafts.

In March 2019 Windermere Jetty was opened, a world-class museum and tourist attraction.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Structure, governance and management

Nature of governing document

Lakeland Arts (the charitable company) is a company limited by guarantee and is also a registered charity. The charitable company was set up as part of an exercise to modernise the constitution of a separate charity, Lakeland Arts Trust, which is an unincorporated trust, constituted under a trust deed dated 19 August 1957 and is a registered charity, number 526980. Lakeland Arts Trust was formed to save Abbot Hall, an important mid eighteenth-century Grade 1 Listed house on the banks of the River Kent in Kendal, and to convert it into an Art Gallery.

The charitable company is governed by its Memorandum and Articles of Association and has similar objects to Lakeland Arts Trust. As of 1 August 2013, the charitable company replaced the Trust as the operator of the various venues for use by the public and took over the redevelopment of Windermere Jetty. The funds, assets and liabilities of Lakeland Arts Trust were transferred to the charitable company. Lakeland Arts Trust continues to hold the Blackwell Endowment which is a permanent endowment, and the collections which are loaned to the charitable company.

Recruitment and appointment of trustees

The Trustee Succession Planning Committee anticipates the retirement of serving Trustees, plan their succession and to recruit new Chairs and Trustees into the organisation. The Succession Planning Committee has the delegated authority of the Board of Trustees to identify, select and recruit new Chairs or Trustees to the Board of Lakeland Arts. All appointments will require formal endorsement by the Board.

The Succession Planning Committee will: -

- Review the normal retirement dates of the Board Members
- Identify the skills likely to be required by Lakeland Arts Trust and seek candidates with those skills
- Candidates may be identified through any appropriate means including advertising, recommendations, recruitment websites, etc.
- Candidates must be considered in the light of the skills they will bring to the Board and Lakeland Arts' commitment to increase the diversity of the Board.

Candidates will be interviewed by the CEO, Chair of Trustees and one other member of the Succession Planning Committee. A recommendation will be made to the Succession Planning Committee who will decide whether to approve the candidate. The proposal will then be referred to the full board of Trustees for formal endorsement.

Lakeland Arts

Trustees' Report

Organisational structure

The directors of the charitable company are its trustees for the purposes of charity law. The Board of Trustees of up to fifteen members, but not less than six, meets regularly and administers the charitable company. The trustees are elected by the Board of Trustees at the Annual General Meeting in accordance with the Articles of Association. The trustees who have served during the year and since the year end are shown in the Charity Information page.

At their meetings, the trustees agree the broad strategy, policy and areas of activity for the charitable company, including consideration of financial policy, reserves and risk management policies and performance. Trustees also decide the level of pay for key management personnel taking into account appropriate benchmarks. A disclosure in relation to remuneration and expenses of key management personnel is included in the notes to the accounts. The Board of Trustees appoints Investment Managers, currently Sarasin & Partners LLP, who are responsible for implementing the overall investment policy.

Relationships with related parties

Lakeland Arts Trust

Lakeland Arts is the sole trustee of Lakeland Arts Trust which holds the collections and the Blackwell endowment. As such Lakeland Arts Trust is treated as a subsidiary in these accounts.

Lakeland Arts Enterprises Limited

Lakeland Arts Enterprises Limited is the wholly owned trading subsidiary of the charitable company. Together with Lakeland Arts Trust and Lakeland Arts these three entities comprise Lakeland Arts Group.

Lakeland Arts Support Trust

Lakeland Arts Support Trust is a charity formed in 1998 for the purpose of generating income to provide financial support for the charitable company at its Abbot Hall site in Kendal. It has a separate board of trustees and so does not form part of the group.

South Lakeland District Council

South Lakeland District Council owns the Abbot Hall building and is the project lead for the gallery's capital development. SLDC also makes an annual grant towards the charitable company's operational costs and programme of activities. SLDC will become Westmorland & Furness Council as of 1 April 2023.

Financial instruments

Objectives and policies

The group's activities expose it to a number of financial risks which may arise from changes in prices, visitor spending behaviour, overhead costs, investments but also from unforeseeable events such as the Covid-19 pandemic. Management of these financial risks and liquidity risks is the central responsibility of the Finance Committee. The Trustees are informed of the current risk situation at regular intervals.

Credit risk

The group's principal financial assets are bank balances and cash, trade and other receivables, and investments. The group has low credit risk as receivables are primarily grants due to be received. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Lakeland Arts

Trustees' Report

Statement of trustees' responsibilities

The trustees (who are also the directors of Lakeland Arts for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 parent charitable company will continue in business.

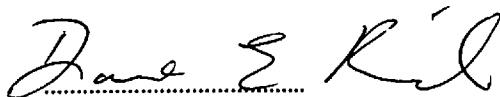
The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the parent charitable company and the group 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 included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 19 December 2023 and signed on its behalf by:



D Reid MCIOF
Trustee

Lakeland Arts

Independent Auditor's Report to the Members of Lakeland Arts

Opinion

We have audited the financial statements of Lakeland Arts (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2023 and of its 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.

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 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 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 group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material 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.

Lakeland Arts

Independent Auditor's Report to the Members of Lakeland Arts

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on page 20), the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Lakeland Arts

Independent Auditor's Report to the Members of Lakeland Arts

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our experience and from discussions with management. We reviewed any related correspondence and records of trustee meetings to assess compliance with laws and regulations and discussed the current position with management. We ensured the audit team were alert for any indications of non-compliance throughout the audit work.

We reviewed material journals processed in the charitable company's accounting software.

We assessed the charity's policies and procedures on fraud risks. No instances of actual, suspected or alleged fraud were identified by us or the charity in the year.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.



.....
Helen Holmes BSc FCA (Senior Statutory Auditor)
For and on behalf of Stables Thompson & Briscoe, Statutory Auditor

Chartered Accountants & Statutory Auditor
Lowther House
Lowther Street
Kendal
LA9 4DX

19 December 2023

Lakeland Arts

Consolidated Statement of Financial Activities for the Year Ended 31 March 2023 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
Income and Endowments from:					
Donations and legacies	3	738,735	209,142	-	947,877
Charitable activities	4	601,517	-	-	601,517
Other trading activities	5	743,170	-	-	743,170
Investment income	6	1,133	19,403	-	20,536
Other income	7	490,554	-	-	490,554
Total income		2,575,109	228,545	-	2,803,654
Expenditure on:					
Raising funds	8	(1,158,876)	-	-	(1,158,876)
Charitable activities	9	(1,546,573)	(563,533)	-	(2,110,106)
Total expenditure		(2,705,449)	(563,533)	-	(3,268,982)
Gains/losses on investment assets		14,622	-	(37,140)	(22,518)
Net expenditure		(115,718)	(334,988)	(37,140)	(487,846)
Transfers between funds		(40,987)	40,987	-	-
Other recognised gains and losses					
Gains/losses on revaluation of fixed assets		(64,000)	-	-	(64,000)
Actuarial gains on defined benefit pension schemes		315,000	-	-	315,000
Net movement in funds		94,295	(294,001)	(37,140)	(236,846)
Reconciliation of funds					
Total funds brought forward		(21,381)	16,312,588	585,000	16,876,207
Total funds carried forward	25	72,914	16,018,587	547,860	16,639,361

The notes on pages 29 to 65 form an integral part of these financial statements.

Lakeland Arts

Consolidated Statement of Financial Activities for the Year Ended 31 March 2023 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £
Income and Endowments from:					
Donations and legacies	3	1,418,653	130,114	-	1,548,767
Charitable activities	4	454,585	-	-	454,585
Other trading activities	5	628,046	-	-	628,046
Investment income	6	4,636	17,405	-	22,041
Other income	7	89,867	-	-	89,867
Total income		2,595,787	147,519	-	2,743,306
Expenditure on:					
Raising funds	8	(947,495)	-	-	(947,495)
Charitable activities	9	(1,689,065)	(1,198,597)	-	(2,887,662)
Total expenditure		(2,636,560)	(1,198,597)	-	(3,835,157)
Gains/losses on investment assets		6,080	-	-	6,080
Net expenditure		(34,693)	(1,051,078)	-	(1,085,771)
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes		94,000	-	-	94,000
Net movement in funds		59,307	(1,051,078)	-	(991,771)
Reconciliation of funds					
Total funds brought forward		(80,688)	17,363,666	585,000	17,867,978
Total funds carried forward	25	(21,381)	16,312,588	585,000	16,876,207

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 25.

The notes on pages 29 to 65 form an integral part of these financial statements.

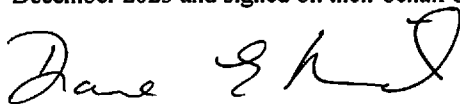
Lakeland Arts

(Registration number: 8162578)

Consolidated Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	16	17,115,255	17,375,984
Investments		<u>726,233</u>	<u>762,727</u>
		<u>17,841,488</u>	<u>18,138,711</u>
Current assets			
Stocks	19	30,482	35,773
Debtors	20	136,793	128,683
Cash at bank and in hand	21	<u>165,786</u>	<u>420,890</u>
		333,061	585,346
Creditors: Amounts falling due within one year	22	<u>(272,303)</u>	<u>(263,662)</u>
Net current assets		<u>60,758</u>	<u>321,684</u>
Total assets less current liabilities		17,902,246	18,460,395
Creditors: Amounts falling due after more than one year	23	<u>(1,240,885)</u>	<u>(1,244,188)</u>
Net assets excluding pension liability		16,661,361	17,216,207
Pension scheme liability	24	<u>(22,000)</u>	<u>(340,000)</u>
Net assets including pension liability		<u>16,639,361</u>	<u>16,876,207</u>
Funds of the group:			
Endowment funds		547,860	585,000
Restricted income funds			
Restricted funds	25	16,018,588	16,312,589
Unrestricted income funds			
Unrestricted funds		<u>72,913</u>	<u>(21,382)</u>
Total funds	25	<u>16,639,361</u>	<u>16,876,207</u>

The financial statements on pages 24 to 65 were approved by the trustees, and authorised for issue on 19 December 2023 and signed on their behalf by:



.....
D Reid MCIOF
Trustee

The notes on pages 29 to 65 form an integral part of these financial statements.

Lakeland Arts

(Registration number: 8162578)
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £ (As restated)
Fixed assets			
Tangible assets	16	17,115,255	17,375,984
Investments		<u>150,002</u>	<u>126,002</u>
		<u>17,265,257</u>	<u>17,501,986</u>
Current assets			
Debtors	20	299,047	337,048
Cash at bank and in hand	21	<u>148,411</u>	<u>413,690</u>
		447,458	750,738
Creditors: Amounts falling due within one year	22	<u>(234,021)</u>	<u>(233,502)</u>
Net current assets		<u>213,437</u>	<u>517,236</u>
Total assets less current liabilities		17,478,694	18,019,222
Creditors: Amounts falling due after more than one year	23	<u>(1,240,885)</u>	<u>(1,244,188)</u>
Net assets including pension liability		<u>16,237,809</u>	<u>16,775,034</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	25	16,018,587	16,305,983
Unrestricted income funds			
Unrestricted funds		<u>219,222</u>	<u>469,051</u>
Total funds	25	<u>16,237,809</u>	<u>16,775,034</u>

The financial statements on pages 24 to 65 were approved by the trustees, and authorised for issue on 19 December 2023 and signed on their behalf by:



.....
D Reid MCIOF
Trustee

The notes on pages 29 to 65 form an integral part of these financial statements.

Lakeland Arts

Consolidated Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash expenditure		(236,846)	(991,771)
Adjustments to cash flows from non-cash items			
Depreciation	16	196,729	851,048
Investment income	6	(20,536)	(22,041)
Revaluation of investments		<u>86,518</u>	<u>(6,080)</u>
		25,865	(168,844)
Working capital adjustments			
Decrease/(increase) in stocks	19	5,291	(2,376)
Increase in debtors	20	(8,110)	(7,484)
Increase/(decrease) in creditors	22	19,888	(108,943)
Decrease (increase) in retirement benefit obligation net of actuarial changes	24	(318,000)	(95,998)
Decrease in deferred income	23	<u>(13,194)</u>	<u>-</u>
Net cash flows from operating activities		<u>(288,260)</u>	<u>(383,645)</u>
Cash flows from investing activities			
Interest receivable and similar income	6	1,133	4,636
Purchase of investments		(17,997)	(8,809)
Sale of investments		31,973	160,000
Income from dividends	6	<u>19,403</u>	<u>17,405</u>
Net cash flows from investing activities		34,512	173,232
Cash flows from financing activities			
Repayment of loans and borrowings	22	<u>(1,356)</u>	<u>(349)</u>
Net decrease in cash and cash equivalents		(255,104)	(210,762)
Cash and cash equivalents at 1 April		<u>420,890</u>	<u>631,652</u>
Cash and cash equivalents at 31 March		<u><u>165,786</u></u>	<u><u>420,890</u></u>
Reconciliation of net cash flow to movement in net funds			
Decrease in cash		(255,104)	(210,762)
Cash outflow from repayment of loans		<u>1,356</u>	<u>349</u>
Change in net debt resulting from cash flows		<u>(253,748)</u>	<u>(210,413)</u>
Net debt at 1 April 2022		<u>(828,761)</u>	<u>(618,348)</u>
Net (debt)/funds at 31 March 2023		<u><u>(£1,082,509)</u></u>	<u><u>(£828,761)</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 29 to 65 form an integral part of these financial statements.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation. The address of the registered office is given on the charity information page of these financial statements. The nature of the charity's operations and principal activities are as an arts and heritage organisation caring for and running Abbot Hall Art Gallery and The Museum of Lakeland Life & Industry in Kendal, Blackwell, The Arts & Crafts House, and the new Windermere Jetty, Museum of Boats, Steam and Stories in Bowness-on-Windermere.

The principal place of business is:

Abbot Hall
Kendal
LA9 5AL

These financial statements were authorised for issue by the trustees on 19 December 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Lakeland Arts 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 notes.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2021. The subsidiaries consolidated for this purpose were Lakeland Arts Enterprises Ltd and Lakeland Arts Trust.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a deficit after all gains and losses for the financial year of £537,225 (2022-£991,771).

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Going concern

The financial statements for the group have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity and the group to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

In the year to 31st March 23 Lakeland Arts financial stabilisation continued and the carried forward unrestricted funds deficit of the group reduced from (£21,382) to a surplus of £72,913.

Like other cultural businesses Lakeland Arts was affected by the cost-of-living crisis across all sites. Visitors are not predicted to return to pre-covid levels until 2025, however when comparing to other cultural organisations, Lakeland Arts post covid recovery, was stronger than others. Lakeland Arts continues to evaluate it's business model, striving for efficiencies, cost savings and income diversification. New earned income initiative continues into 24-25, which means we are forecasting a modest surplus in 24-25, demonstrating that we are a going concern.

Income and endowments

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 the income receivable can be measured reliably.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

Donations and legacies

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- i. when donors specify that donations and grants given to the charitable company must be used in future accounting periods the income is deferred until these periods; or
- ii. when donors impose conditions which have to be fulfilled before the charitable company becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Gifts in kind

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

Donated heritage assets are recognised in the Heritage Asset note but are not otherwise recognised in the Statement of Financial Activities (SOFA) in line with the policy on Heritage Assets.

Other trading activities

Income from commercial trading activities, including retail and catering and commission on sale or return items through retail outlets. This income is primarily the income of the trading subsidiary Lakeland Arts Enterprises Ltd and is recorded on a receivable basis.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

Charitable activities

Income from Charitable trading activities through Abbot Hall Art Gallery, Blackwell the Arts & Crafts House, Museum of Lakeland Life and Industry and the Windermere Jetty (including admission, learning and Friends of Lakeland Arts memberships), is included in incoming resources in the period for which it is receivable.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably.

Expenditure is included in the Consolidated Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. All costs are defined in 4 specific categories:

Raising funds
Fundraising trading
Charitable activities
Other

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management and professional fees. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

Tangible fixed assets

Individual fixed assets costing £5,000.00 or more are initially recorded at cost including any incidental expenses of acquisition (with the exception of heritage assets), less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Lakeland Arts owns the former Kendal Grammar School (constructed 1588) which is part of the Abbot Hall site. The building is currently divided into 2 parts; no 9 Church Walk is a residential property acquired in 2011 and held as part of the investment portfolio and no 11 Church Walk, also residential which has been in the ownership of Lakeland Arts for many years and is currently used as storage. The latter portion was last valued in 2021 and included in the accounts as a freehold property. The investment property is stated in the accounts at market value. Revaluation will take place every 5 years.

The Windermere Steamboat Museum, designed by Carmody Groarke Architects, opened in March 2019 and houses a collection of steamboats and other vessels known as the Steamboat Museum Collection.

Heritage assets

Lakeland Arts' principal objects include establishment and maintenance of public art galleries and museums for the benefit of the public. In this connection the charitable company has a long leasehold interest, at a peppercorn rent, in listed buildings at Abbot Hall, of which Abbot Hall itself is Grade I Listed. The charitable company also has a freehold interest in the Grade I Listed Arts & Crafts House at Blackwell – a property of unique historic importance near Bowness-on-Windermere.

These historic properties are inalienable heritage assets in the sense that it is a fundamental part of the charitable company's purpose to hold and preserve them permanently, and Lakeland Arts is effectively prohibited from disposing of them for any other purpose, not only by the terms of its governing documents, but also by external considerations including the terms of leases, conditions applied by funding bodies and planning consents. These properties are not assets in the normal sense of the word because under the irrevocable terms of their present use they have no market value. To provide a market value based on an impermissible change of use would be misleading. The Trustees consider that the buildings are heritage assets and the charitable company does not, therefore, represent them on the Balance Sheet.

Further information on the Lakeland Arts' heritage assets is given in the notes, in accordance with the terms of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) '18. Accounting for heritage assets'.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	Held at valuation, revalued every five years
Leasehold land and buildings	straight line over the term of the lease
Plant, equipment and fittings	straight line over 4 years

Research and development

Research and development expenditure is written off as incurred.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock consists of purchased goods for resale and is included at the lower of cost or net realisable value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the group.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Restricted endowment funds – these are non-permanent endowment funds, the income from which contributes to the operating expenses of Lakeland Arts. The assets of the funds are represented by investments.

Pensions and other post retirement obligations

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

The group also operates a defined benefit pension scheme for one employee. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Donations and legacies;				
Donations from companies, trusts and similar proceeds	642,052	209,142	851,194	1,454,357
Legacies	20,749	-	20,749	6,812
Gift aid reclaimed	13,860	-	13,860	15,563
Membership income (including Friends, patrons and benefactors)	<u>62,074</u>	<u>-</u>	<u>62,074</u>	<u>72,035</u>
	<u><u>738,735</u></u>	<u><u>209,142</u></u>	<u><u>947,877</u></u>	<u><u>1,548,767</u></u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

	Unrestricted funds	Restricted funds	2023	2022
Other grants and donations				
Core Grants	£	£	£	£
Arts Council England NPO	451,848	-	451,848	451,847
Lakeland Arts Support Trust	51,000	-	51,000	48,000
South Lakeland District Council	-	27,500	27,500	79,000
Cumbria County Council	-	-	-	10,000
Kendal Town Council	-	5,000	5,000	3,000
NPO Grant funding	10,000	-	10,000	-
Covid-19 and Business Continuity Grants				
CJRS government grants and BBL interest support	-	-	-	33,537
DCMS Cultural Recovery Fund Round 3 (1 & 2)	104,635	-	104,635	674,409
SLDC Omicron	-	-	-	18,000
STOS Funding	-	-	-	10,000
Bid grant	17,101	-	17,101	-
Programme/Project Grants				
NLHF Resilience	-	22,950	22,950	-
Abbot Hall Redevelopment donation	-	20,000	20,000	-
Lucy Group - boat conservation	-	5,000	5,000	-
Sir John Fisher Foundation	-	37,500	37,500	-
John R. Murray Charitable Trust	-	30,000	30,000	50,000
Architectural Heritage Fund	-	15,000	15,000	-
The Granada Foundation	-	5,000	5,000	-
The Hadfield Trust	-	3,000	3,000	-
Art Fund	-	4,998	4,998	-
Association for Industrial Archeology	-	-	-	9,645
The Headley Trust	-	-	-	15,000
Lindeth Charitable Trust	-	-	-	5,000
Areti Charitable Trust	-	-	-	2,991
The John Ellerman Foundation	-	13,194	13,194	31,667
Great Britain Sasakawa Foundation Grant	-	-	-	1,411
AslackbyTrust	-	20,000	20,000	-
Other donations and small grants	7,468	-	7,468	10,850
	<u>642,052</u>	<u>209,142</u>	<u>851,194</u>	<u>1,454,357</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

4 Income from charitable activities

	Unrestricted funds General £	Total 2023 £
Visitor income	458,900	458,900
Learning income	732	732
Museums and Galleries tax relief	141,885	141,885
	<u>601,517</u>	<u>601,517</u>
	Unrestricted funds General £	Total 2022 £
Visitor income	389,271	389,271
Learning income	4,341	4,341
Museums and Galleries tax relief	60,973	60,973
	<u>454,585</u>	<u>454,585</u>

5 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading income; Sales of goods and services	741,871	741,871
Events income; Other events income	1,299	1,299
Total for 2023	<u>743,170</u>	<u>743,170</u>
Total for 2022	<u>628,046</u>	<u>628,046</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

6 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Income from dividends;			
Dividends receivable from other listed investments	-	19,403	19,403
Interest receivable and similar income;			
Interest receivable on bank deposits	1,133	-	1,133
	<u>1,133</u>	<u>19,403</u>	<u>20,536</u>
	Unrestricted funds General £	Restricted funds £	Total 2022 £
Income from dividends;			
Dividends receivable from other listed investments	-	17,405	17,405
Interest receivable and similar income;			
Interest receivable on bank deposits	864	-	864
Income from rents	3,772	-	3,772
	<u>4,636</u>	<u>17,405</u>	<u>22,041</u>

7 Other income

	Unrestricted General £	Total 2023 £	Total 2022 £
Other income	52,701	52,701	11,105
CGS VAT Adjustment	73,731	73,731	53,689
Ofgem Renewal Heat Incentive	2	2	25,073
Insurance	357,120	357,120	-
Licence to occupy	7,000	7,000	-
	<u>490,554</u>	<u>490,554</u>	<u>89,867</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

8 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Total 2023 £
Other direct costs of generating voluntary income		162,417	162,417
Allocated support costs	10	138,187	138,187
		<u>300,604</u>	<u>300,604</u>
	Note	Unrestricted funds General £	Total 2022 £
Other direct costs of generating voluntary income		84,888	84,888
Allocated support costs	10	42,283	42,283
		<u>127,171</u>	<u>127,171</u>

b) Costs of trading activities

	Note	Unrestricted funds General £	Total 2023 £
Trading subsidiary costs		324,803	324,803
Marketing and publicity		56,311	56,311
Wages and salaries		379,098	379,098
Allocated support costs	10	98,048	98,048
		<u>858,260</u>	<u>858,260</u>
	Note	Unrestricted funds General £	Total 2022 £
Trading subsidiary costs		244,363	244,363
Marketing and publicity		82,477	82,477
Wages and salaries		376,385	376,385
Allocated support costs	10	117,099	117,099
		<u>820,324</u>	<u>820,324</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

c) Investment management costs

	Unrestricted		
	General	Total	Total
Note	£	2023 £	2022 £
Other investment management costs;			
Costs of obtaining investment advice	12	12	-
	12	12	-

d) Total expenditure on raising funds

	Direct costs	Allocated	Total
	£	support costs	2023
	£	£	£
Costs of generating donations and legacies	162,417	138,187	300,604
Costs of trading activities	760,212	98,048	858,260
Investment management costs	12	-	12
	922,641	236,235	1,158,876

	Direct costs	Allocated	Total
	£	support costs	2022
	£	£	£
Costs of generating donations and legacies	84,888	42,283	127,171
Costs of trading activities	703,225	117,099	820,324
	788,113	159,382	947,495

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

9 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	2023 £
Exhibition programmes	194,174	55,146	249,320
Collections and conservation of exhibits	475,798	60,365	536,163
Learning	75,405	57,084	132,489
Historic buildings and premises costs	537,952	58,641	596,593
Visitor operations	283,405	67,415	350,820
Abbot Hall Project	103,132	9,838	112,970
NLHF Resilience Project	-	22,950	22,950
Art Fund	1,058	16,692	17,750
Garfield Weston Foundation	37,592	-	37,592
Clore Duffield	19,804	-	19,804
Social Enterprise	2,694	-	2,694
	<u>1,731,014</u>	<u>348,131</u>	<u>2,079,145</u>
	Activity undertaken directly £	Activity support costs £	2022 £
Exhibition programmes	236,203	64,633	300,836
Collections and conservation of exhibits	346,536	65,058	411,594
Learning	146,445	62,753	209,198
Historic buildings and premises costs	606,424	59,181	665,605
Visitor operations	252,414	70,583	322,997
Abbot Hall Project	702,347	-	702,347
Windermere Jetty Project	3,838	-	3,838
National Lottery Heritage Emergency Fund	3,337	55,735	59,072
Art Fund	20,586	-	20,586
Garfield Weston Foundation	156,668	-	156,668
Clore Duffield	1,174	-	1,174
	<u>2,475,972</u>	<u>377,943</u>	<u>2,853,915</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

	Unrestricted funds Designated £	Restricted funds £	Total 2023 £
Exhibition programmes	203,626	45,694	249,320
Collections and conservation of exhibits	408,632	127,531	536,163
Learning	132,489	-	132,489
Historic buildings and premises costs	410,207	186,386	596,593
Visitor operations	350,820	-	350,820
Abbot Hall Project	9,838	103,132	112,970
NLHF Resilience Project	-	22,950	22,950
Art Fund	-	17,750	17,750
Garfield Weston Foundation	-	37,592	37,592
Clore Duffield	-	19,804	19,804
Social Enterprise	-	2,694	2,694
	<u>1,515,612</u>	<u>563,533</u>	<u>2,079,145</u>
	Unrestricted funds Designated £	Restricted funds £	Total 2022 £
Exhibition programmes	299,425	1,411	300,836
Collections and conservation of exhibits	320,922	90,672	411,594
Learning	209,198	-	209,198
Historic buildings and premises costs	499,427	166,178	665,605
Visitor operations	322,997	-	322,997
Windermere Jetty Project	-	3,838	3,838
Abbot Hall Project	-	702,347	702,347
National Lottery Heritage Emergency Fund	3,349	55,723	59,072
Art Fund	-	20,586	20,586
Garfield Weston Foundation	-	156,668	156,668
Clore Duffield	-	1,174	1,174
	<u>1,655,318</u>	<u>1,198,597</u>	<u>2,853,915</u>

In addition to the expenditure analysed above, there are also governance costs of £30,961 (2022 - £33,746) which relate directly to charitable activities. See note 10 for further details.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

10 Analysis of governance and support costs

Governance costs

	Unrestricted		
	General	Total	Total
	£	2023	2022
		£	£
Staff costs			
Pension costs	10,900	10,900	11,600
Audit fees			
Audit and other fees paid to auditors	16,865	16,865	16,423
Trustees remuneration and expenses	1,773	1,773	1,412
Legal fees	-	-	3,420
Loan interest	1,423	1,423	891
	<u>30,961</u>	<u>30,961</u>	<u>33,746</u>

11 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2023	2022
	£	£
Audit fees	15,900	15,163
Depreciation of fixed assets	<u>196,729</u>	<u>211,154</u>

12 Trustees remuneration and expenses

During the year the group made the following transactions with trustees:

A Karwa

£729 (2022: £Nil) of expenses were reimbursed to A Karwa during the year.

A M Lyles

£941 (2022: £Nil) of expenses were reimbursed to A M Lyles during the year.

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

13 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	1,350,918	1,324,965
Social security costs	112,980	90,759
Pension costs	38,211	34,378
	<u>1,502,109</u>	<u>1,450,102</u>

The monthly average number of persons (including senior management / leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2023 No	2022 No
Management, curatorial, marketing and learning	23	23
Administration	6	6
Desk/shop staff	4	4
Coffee House & Tea Room	9	12
Other	1	2
Heritage boat team	3	3
Boat conservation team	5	5
	<u>51</u>	<u>55</u>

The average number of employees in the year as defined by s382/383 of the Companies Act 2006 was 79 (2022 - 79).

The number of employees whose emoluments fell within the following bands was:

	2023 No	2022 No
£80,001 - £90,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the group were £350,836 (2022 - £377,327).

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

14 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	<u>15,900</u>	<u>15,163</u>
Other fees to auditors		
The auditing of accounts of any associate of the charity	<u>965</u>	<u>1,260</u>

The audit fees include provision of accountancy services for the preparation of group accounts.

15 Taxation

The group is a registered charity and is therefore exempt from taxation.

16 Tangible fixed assets

Group

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost/Valuation				
At 1 April 2022	17,448,000	482,236	34,483	17,964,719
Revaluations	<u>(64,000)</u>	<u>-</u>	<u>-</u>	<u>(64,000)</u>
At 31 March 2023	<u>17,384,000</u>	<u>482,236</u>	<u>34,483</u>	<u>17,900,719</u>
Depreciation				
At 1 April 2022	155,378	414,040	19,317	588,735
Charge for the year	<u>155,378</u>	<u>36,296</u>	<u>5,055</u>	<u>196,729</u>
At 31 March 2023	<u>310,756</u>	<u>450,336</u>	<u>24,372</u>	<u>785,464</u>
Net book value				
At 31 March 2023	<u>17,073,244</u>	<u>31,900</u>	<u>10,111</u>	<u>17,115,255</u>
At 31 March 2022	<u>17,292,622</u>	<u>68,196</u>	<u>15,166</u>	<u>17,375,984</u>

Included within the net book value of land and buildings above is £150,000 (2022 - £214,000) in respect of freehold land and buildings and £16,923,244 (2022 - £17,078,622) in respect of leaseholds.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

Revaluation

The fair value of the group's Land and buildings was revalued on 19 November 2021 by Edwin Thompson, Chartered Surveyors, an independent valuer.

The property was valued on an open market value basis.

Had this class of asset been measured on a historical cost basis, their carrying amount would have been £190,000 (2022 - £190,000).

The fair value of the group's Leasehold improvements was revalued on 24 November 2021 by Hyde Harrington, Chartered Surveyors, an independent valuer.

The property was valued on an Asset Valuation for the Existing Use. As properties of this nature are not generally traded in the market Depreciated Replacement Cost has been used to determine the Asset Value.

Had this class of asset been measured on a historical cost basis, their carrying amount would have been £18,759,705 (2022 - £18,759,705).

The asset in the course of construction related to the costs of the original Abbot Hall project which changed in the year and so these costs were written off to charitable expenses (please see note 9).

Charity

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost/Valuation				
At 1 April 2022	17,448,000	482,236	34,483	17,964,719
Revaluations	<u>(64,000)</u>	<u>-</u>	<u>-</u>	<u>(64,000)</u>
At 31 March 2023	<u>17,384,000</u>	<u>482,236</u>	<u>34,483</u>	<u>17,900,719</u>
Depreciation				
At 1 April 2022	155,378	414,040	19,317	588,735
Charge for the year	<u>155,378</u>	<u>36,296</u>	<u>5,055</u>	<u>196,729</u>
At 31 March 2023	<u>310,756</u>	<u>450,336</u>	<u>24,372</u>	<u>785,464</u>
Net book value				
At 31 March 2023	<u>17,073,244</u>	<u>31,900</u>	<u>10,111</u>	<u>17,115,255</u>
At 31 March 2022	<u>17,292,622</u>	<u>68,196</u>	<u>15,166</u>	<u>17,375,984</u>

Included within the net book value of land and buildings above is £150,000 (2022 - £214,000) in respect of freehold land and buildings and £16,923,244 (2022 - £17,078,622) in respect of leaseholds.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

17 Heritage assets

Group

Heritage assets not recognised in the balance sheet

From 1 August 2013 the charitable company entered into a Loan and Management Agreement with the owner of the collections, Lakeland Arts Trust under which all responsibilities in relation to the collections including acquisition, disposal, preservation and management, transferred to Lakeland Arts.

Lakeland Arts maintains a full inventory of all the collections held. This includes location and movements in and out of works of art and museum objects which, from time to time, may be loaned to/from other museums and galleries.

Summary of transactions

	2023 £	2022 £	2021 £	2020 £	2019 £
Purchases and additions					
Furniture	-	-	-	25,000	-
Drawings	-	17,344	-	10	15,300
Maritime	100	10,000	-	-	-
Donations					
Ceramics	-	1,240	-	-	-
Costume	-	30	-	-	-
Drawings	-	5,430	-	1,260	-
Engravings	-	-	-	500	-
Ephemera	-	150	-	155	-
Industrial history	-	-	-	240	-
Paintings	-	14,000	214,000	-	40,000
Photographs	5	300	3,100	-	-
Sculpture	-	-	750,000	-	-
Social history	-	4,571	100	-	170
Textiles	200	-	-	-	-
Maritime	7,310	35,015	16,000	100	45,200
Furniture	-	105,080	-	3,000	-
Horology	-	-	-	500	-
Total additions	7,615	193,160	983,200	30,765	100,670

Charity

Heritage assets not recognised in the balance sheet

The permanent collections are held by Lakeland Arts Trust.

Lakeland Arts Trust's Collection of Works of Art and Museum Exhibits

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

The principal areas of the collection are:

- Eighteenth century furniture, British landscape and portrait paintings, with a particularly strong group of works by George Romney;
- Eighteenth and nineteenth century watercolours, including an exceptional group by John Ruskin, four major works by JMW Turner and a number of other key works, many of which relate to the Lake District;
- Twentieth century and contemporary British art, with sculpture by figures such as Jean Arp, Barbara Hepworth and Elizabeth Frink, as well as work by many of the leading painters including Samuel Peploe, Ben and Winifred Nicholson, a strong group of St Ives work, Kurt Schwitters, Stanley Spencer, Graham Sutherland, John Piper, Ivon Hitchens, Frank Auerbach, Paula Rego, Bridget Riley and Sean Scully;
- Strong holding of prints by such names as Henry Moore, David Hockney and Lucian Freud;
- Material relating to the social and industrial history of the Lake District and Kendal. This includes nineteenth and twentieth century photographs, Lake District crafts, rural trades and industries and domestic and shop interiors. There is important material relating to the author Arthur Ransome, Annie Garnett's early twentieth century textiles made at the Spinnery in Bowness and arts and crafts furniture by Arthur Simpson of Kendal and other regional makers;
- Material relating to M.H. Baillie Scott including furniture, books and published designs, archive material relating to the history of Blackwell, Arts & Crafts furniture and a small number of objects by Arts & Crafts designers and/or makers shown principally at Blackwell The Arts and Crafts House;
- Small collection of studio ceramics;
- Over 40 boats and a large collection of smaller objects relating to boats and boating on Lake Windermere. The collection is acknowledged to be one of the most important collections of vessels generic to one location worldwide and to reflect important themes in technical, social and economic history. The Pattinson Collection, named after the founder of the Museum Mr G.H. Pattinson, was augmented and added to by the collection of the Windermere Nautical Trust and covers many aspects of boating on Windermere including wooden steam launches, motor boats, yachts and canoes. Eleven boats were transferred to the Lakeland Arts Trust through H.M. Government's Acceptance in Lieu Scheme in 2007.

Acquisitions

Potential acquisitions, which may be purchased or gifted, must meet the requirements laid out in the charitable company's Collections Development Policy (2017).

Disposals

By definition, the Lakeland Arts Trust has a long-term purpose and holds collections in trust for society in relation to its stated objectives. The Trustees therefore accept the principle that sound curatorial reasons for disposal must be established before consideration is given to the disposal of any items in Lakeland Arts collections. The disposal policy is detailed in Lakeland Arts' Collections Development Policy (2017).

Preservation and Management

Lakeland Arts Trust was first awarded MLA Accreditation status in 2009 and following the award Abbot Hall, Blackwell and the Lakeland Museum entered into a planned timetable of collections preservation, care and management. Accreditation is now operated by Arts Council England. Windermere Jetty Museum applied for 'Working Towards Accreditation' status (WTA) when it opened to the public in 2019.

In 2010 some of the principal objects in the collection were valued by Sotheby's. The valuation was carried out specifically to inform a risk management exercise which resulted in a review of the insured values and risks for the collection. For the purpose of reinstatement the value of all of the charitable company's Heritage assets, including buildings and land is estimated as £62.7m.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

18 Fixed asset investments

Group

	2023	2022
	£	£
Investment properties	150,000	126,000
Other investments	576,233	636,727
	<u>726,233</u>	<u>762,727</u>

Investment properties

	Investment properties £
Cost or Valuation	
At 1 April 2022	126,000
Revaluation	<u>24,000</u>
At 31 March 2023	150,000
Provision	
At 31 March 2023	<u>-</u>
Net book value	
At 31 March 2023	<u>150,000</u>
At 31 March 2022	<u>126,000</u>

The investment properties were valued in 2021 by Edwin Thompson, Chartered Surveyors, on an open market value basis.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 April 2022	636,727	636,727
Revaluation	(46,518)	(46,518)
Additions	17,997	17,997
Disposals	<u>(31,973)</u>	<u>(31,973)</u>
At 31 March 2023	<u>576,233</u>	<u>576,233</u>
Net book value		
At 31 March 2023	<u>576,233</u>	<u>576,233</u>
At 31 March 2022	<u>636,727</u>	<u>636,727</u>

Charity

	2023 £	2022 £
Investment properties	150,000	126,000
Shares in group undertakings and participating interests	<u>2</u>	<u>2</u>
	<u>150,002</u>	<u>126,002</u>

Investment properties

	Investment properties £
Cost or Valuation	
At 1 April 2022	126,000
Revaluation	<u>24,000</u>
At 31 March 2023	150,000
Provision	
At 31 March 2023	<u>-</u>
Net book value	
At 31 March 2023	<u>150,000</u>
At 31 March 2022	<u>126,000</u>

The investment properties were valued in 2021 by Edwin Thompson, Chartered Surveyors, on an open market value basis.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2022	<u>2</u>	<u>2</u>
At 31 March 2023	<u>2</u>	<u>2</u>
Net book value		
At 31 March 2023	<u>2</u>	<u>2</u>
At 31 March 2022	<u>2</u>	<u>2</u>

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2023	2022	
Subsidiary undertakings					
Lakeland Arts Enterprises Ltd	England	Ordinary	100%	100%	Operating tea rooms and gift shops

19 Stock

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Finished goods	<u>30,482</u>	<u>35,773</u>	<u>-</u>	<u>-</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

20 Debtors

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	715	64,752	715	64,752
Due from group undertakings	-	1	161,864	210,439
Prepayments	108,566	38,288	108,509	38,288
Accrued income	12,608	7,792	12,608	7,792
VAT recoverable	13,080	17,080	13,527	15,007
Other debtors	1,824	770	1,824	770
	<u>136,793</u>	<u>128,683</u>	<u>299,047</u>	<u>337,048</u>

21 Cash and cash equivalents

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Cash on hand	9,422	5,047	9,422	5,047
Cash at bank	155,844	327,629	138,971	326,004
Short-term deposits	520	88,214	18	82,639
	<u>165,786</u>	<u>420,890</u>	<u>148,411</u>	<u>413,690</u>

22 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	7,410	5,463	7,410	5,463
Trade creditors	194,299	162,392	168,094	137,950
Other taxation and social security	23,717	25,722	23,717	25,722
Other creditors	20,784	13,467	20,784	13,076
Accruals	26,093	43,424	14,016	38,097
Deferred income	-	13,194	-	13,194
	<u>272,303</u>	<u>263,662</u>	<u>234,021</u>	<u>233,502</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

Deferred income

	2023 £	2022 £
Deferred income at 1 April 2022	13,194	13,194
Resources deferred in the period	-	13,194
Amounts released from previous periods	<u>(13,194)</u>	<u>(13,194)</u>
Deferred income at year end	<u>-</u>	<u>13,194</u>

	2023 £	2022 £
Deferred income at 1 April 2022	13,194	13,194
Resources deferred in the period	-	13,194
Amounts released from previous periods	<u>(13,194)</u>	<u>(13,194)</u>
Deferred income at year end	<u>-</u>	<u>13,194</u>

23 Creditors: amounts falling due after one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Bank loans	40,885	44,188	40,885	44,188
Other loans	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>
	<u>1,240,885</u>	<u>1,244,188</u>	<u>1,240,885</u>	<u>1,244,188</u>

Group

Included in the creditors are the following amounts due after more than five years:

	2023 £	2022 £
After more than five years by instalments	11,245	16,767
After more than five years not by instalments	<u>1,200,000</u>	<u>1,200,000</u>
	<u>1,211,245</u>	<u>1,216,767</u>

Charity

Included in the creditors are the following amounts due after more than five years:

	2023 £	2022 £
After more than five years by instalments	11,245	16,767
After more than five years not by instalments	<u>1,200,000</u>	<u>1,200,000</u>
	<u>1,211,245</u>	<u>1,216,767</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

Borrowings due after five years

The HLF loan is secured on the Windermere Jetty Museum.

Lakeland Arts executive team has created a 5 year financial forecast, which is based upon best current information. The financial forecasts currently demonstrate that the HLF Loan will begin to be repaid after 25/26.

Bank loans and overdrafts after five years

The bank loan is a bounce back loan extended to 10 years. The interest rate is 2.5% with capital repayments over 9 years from 6 July 2022 of £455.25pm.

24 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £22,778 (2022 - £21,744).

Defined benefit pension schemes

Cumbria Local Government Pension Scheme

Lakeland Arts Trust is a member of the Cumbria Local Government Pension Scheme. This is a multi-employer scheme and the figures in these accounts are from the latest Mercer report on Lakeland Arts Trust's share of the scheme.

The date of the most recent comprehensive actuarial valuation was 31 March 2022.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was 10,900 (2022 - £11,600).

The total cost relating to defined benefit schemes for the year included in the cost of an asset was - (2022 - £-).

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2023 £	2022 £
Fair value of scheme assets	1,347,000	1,495,000
Present value of defined benefit obligation	<u>(1,369,000)</u>	<u>(1,835,000)</u>
Defined benefit pension scheme deficit	<u>(22,000)</u>	<u>(340,000)</u>

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

	2023 £
Present value at start of year	(1,835,000)
Current service cost	(3,000)
Interest cost	(51,000)
Actuarial gains and losses	449,000
Benefits paid	71,000
Present value at end of year	<u>(1,369,000)</u>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2023 £
Fair value at start of year	1,495,000
Interest income	41,000
Actuarial gains and losses	(134,000)
Employer contributions	16,000
Benefits paid	(71,000)
Fair value at end of year	<u>1,347,000</u>

Analysis of assets

The major categories of scheme assets are as follows:

	2023 £	2022 £
Cash and cash equivalents	35,000	42,000
Equity instruments	492,000	524,000
Government bonds	189,000	253,000
Property	104,000	136,000
Other	527,000	540,000
	<u>1,347,000</u>	<u>1,495,000</u>

Return on scheme assets

	2023 £	2022 £
Return on scheme assets	<u>(58,000)</u>	<u>135,000</u>

The pension scheme has not invested in any of the group's own financial instruments or in properties or other assets used by the group.

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

	2023 %	2022 %
Mortality rate	1.75	1.75
Discount rate	4.90	2.80
Future salary increases	4.20	5.00
Future pension increases	2.80	3.60
Inflation	<u>2.70</u>	<u>3.50</u>

Post retirement mortality assumptions

	2023 Years	2022 Years
Current UK pensioners at retirement age - male	22.00	23.00
Current UK pensioners at retirement age - female	24.00	25.00
Future UK pensioners at retirement age - male	23.00	24.00
Future UK pensioners at retirement age - female	<u>26.00</u>	<u>27.00</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

25 Funds

Group

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
Unrestricted funds						
<i>General</i>						
General funds	318,618	2,575,109	(2,708,449)	(40,987)	(49,378)	94,913
<i>Designated</i>						
Pension scheme deficit	<u>(340,000)</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>315,000</u>	<u>(22,000)</u>
Total unrestricted funds	<u>(21,382)</u>	<u>2,575,109</u>	<u>(2,705,449)</u>	<u>(40,987)</u>	<u>265,622</u>	<u>72,913</u>
Restricted funds						
Windermere Jetty Construction	17,078,622	-	(155,378)	-	-	16,923,244
Windermere Boat Collection	19,040	-	(19,040)	-	-	-
Windermere Jetty Capital	276,874	5,000	-	-	-	281,874
Collections Fund	5,000	-	-	-	-	5,000
NLHF loan	(1,200,000)	-	-	-	-	(1,200,000)
Architectural Heritage Fund	-	15,000	(15,000)	-	-	-
South Lakeland District Council	-	27,500	(27,500)	-	-	-
Blackwell Endowment	6,605	19,403	(26,008)	-	-	-
Kendal Town Council	-	5,000	(5,000)	-	-	-
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Social Enterprise Funding	10,000	-	(2,694)	-	-	7,306
Abbot Hall Redevelopment	43,123	20,000	(103,132)	40,009	-	-
Areti Charitable Trust	2,991	-	(2,991)	-	-	-
National Lottery Fund, Resilient Heritage	-	22,950	(22,950)	-	-	-
Boat conservation grants	-	90,500	(90,500)	-	-	-
The John Ellerman Foundation	-	13,194	(13,194)	-	-	-
Art Fund	12,752	4,998	(17,750)	-	-	-
Garfield Weston Foundation	37,593	-	(37,592)	-	-	1
Granada Foundation	-	5,000	(5,000)	-	-	-
Clore Duffield Foundation	<u>18,826</u>	<u>-</u>	<u>(19,804)</u>	<u>978</u>	<u>-</u>	<u>-</u>
Total restricted funds	16,312,589	228,545	(563,533)	40,987	-	16,018,588

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
Permanent						
Blackwell Endowment	585,000	-	-	-	(37,140)	547,860
Total funds	<u>16,876,207</u>	<u>2,803,654</u>	<u>(3,268,982)</u>	<u>-</u>	<u>228,482</u>	<u>16,639,361</u>
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
Unrestricted funds						
General						
General funds	355,310	2,595,787	(2,636,560)	(1,999)	6,080	318,618
Designated						
Pension scheme deficit	(435,999)	-	-	1,999	94,000	(340,000)
Total unrestricted funds	<u>(80,689)</u>	<u>2,595,787</u>	<u>(2,636,560)</u>	<u>-</u>	<u>100,080</u>	<u>(21,382)</u>
Restricted funds						
Windermere Jetty Construction	17,234,000	-	(155,378)	-	-	17,078,622
Windermere Boat Collection	-	68,400	(49,360)	-	-	19,040
Windermere Jetty Capital Collections Fund	280,712	-	(3,838)	-	-	276,874
NLHF loan	-	5,000	-	-	-	5,000
NLHF loan	(1,200,000)	-	-	-	-	(1,200,000)
Blackwell Endowment	-	17,405	(10,800)	-	-	6,605
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Association of Industrial Archeology	-	9,645	(9,645)	-	-	-
Social Enterprise Funding	-	10,000	-	-	-	10,000
Abbot Hall Redevelopment	744,470	1,000	(702,347)	-	-	43,123
Areti Charitable Trust	-	2,991	-	-	-	2,991
Great Britain Sasakawa Foundation	-	1,411	(1,411)	-	-	-
The John Ellerman Foundation	-	31,667	(31,667)	-	-	-
NHLF	55,723	-	(55,723)	-	-	-
Art Fund	33,338	-	(20,586)	-	-	12,752
Garfield Weston Foundation	194,261	-	(156,668)	-	-	37,593
Clore Duffield Foundation	20,000	-	(1,174)	-	-	18,826
Total restricted funds	<u>17,363,667</u>	<u>147,519</u>	<u>(1,198,597)</u>	<u>-</u>	<u>-</u>	<u>16,312,589</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
<i>Permanent</i>						
Blackwell Endowment	<u>585,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>585,000</u>
Total funds	<u>17,867,978</u>	<u>2,743,306</u>	<u>(3,835,157)</u>	<u>-</u>	<u>100,080</u>	<u>16,876,207</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

Charity

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
Unrestricted funds						
<i>General</i>						
General funds	469,051	1,900,954	(2,069,796)	(40,987)	(40,000)	219,222
Restricted funds						
Windermere Jetty Construction	17,078,622	-	(155,378)	-	-	16,923,244
Windermere Jetty Capital Funds	276,874	5,000	-	-	-	281,874
Collection funds	5,000	-	-	-	-	5,000
Windermere Boat Collection	19,040	-	(19,040)	-	-	-
HLF loan	(1,200,000)	-	-	-	-	(1,200,000)
Boat conservation funds	-	90,500	(90,500)	-	-	-
Social Enterprise Funding	10,000	-	(2,694)	-	-	7,306
Areti Charitable Trust	2,991	-	(2,991)	-	-	-
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Blackwell endowment income	-	26,008	(26,008)	-	-	-
Abbot Hall Redevelopment	43,123	20,000	(103,132)	40,009	-	-
South Lakeland District Council	-	27,500	(27,500)	-	-	-
Heritage Lottery Fund Resilience	-	22,950	(22,950)	-	-	-
Architectural Heritage Foundation	-	15,000	(15,000)	-	-	-
The John Ellerman Foundation	-	13,194	(13,194)	-	-	-
Art Fund	12,752	4,998	(17,750)	-	-	-
Garfield Weston Foundation	37,592	-	(37,592)	-	-	-
Granada Foundation	-	5,000	(5,000)	-	-	-
Clore Duffield Foundation	18,826	-	(19,804)	978	-	-
Kendal Town Council	-	5,000	(5,000)	-	-	-
Total restricted funds	<u>16,305,983</u>	<u>235,150</u>	<u>(563,533)</u>	<u>40,987</u>	<u>-</u>	<u>16,018,587</u>
Total funds	<u>16,775,034</u>	<u>2,136,104</u>	<u>(2,633,329)</u>	<u>-</u>	<u>(40,000)</u>	<u>16,237,809</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Unrestricted funds				
<i>General</i>				
General funds	561,485	2,029,951	(2,122,385)	469,051
Restricted funds				
Windermere Jetty Construction	17,234,000	-	(155,378)	17,078,622
Windermere Jetty Capital Funds	280,712	-	(3,838)	276,874
Collection funds	-	5,000	-	5,000
Windermere Boat Collection	-	68,400	(49,360)	19,040
HLF loan	(1,200,000)	-	-	(1,200,000)
Association of Industrial Archeology	-	9,645	(9,645)	-
Social Enterprise Funding	-	10,000	-	10,000
Areti Charitable Trust	-	2,991	-	2,991
Great Britain Sasakawa Foundation	-	1,411	(1,411)	-
Aurelius Trust (Blackwell Library)	1,163	-	-	1,163
Abbot Hall Redevelopment	744,470	1,000	(702,347)	43,123
The John Ellerman Foundation	-	31,667	(31,667)	-
NHLF	55,723	-	(55,723)	-
Art Fund	33,338	-	(20,586)	12,752
Garfield Weston Foundation	194,260	-	(156,668)	37,592
Clore Duffield Foundation	20,000	-	(1,174)	18,826
Total restricted funds	<u>17,363,666</u>	<u>130,114</u>	<u>(1,187,797)</u>	<u>16,305,983</u>
Total funds	<u>17,925,151</u>	<u>2,160,065</u>	<u>(3,310,182)</u>	<u>16,775,034</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

26 Analysis of net assets between funds

Group

	Unrestricted funds		Restricted funds	Endowment funds	Total funds
	General	Designated	funds	Permanent	at 31 March
	£	£	£	£	2023
Tangible fixed assets	192,011	-	16,923,244	-	17,115,255
Fixed asset investments	178,373	-	-	547,860	726,233
Current assets	37,717	-	295,344	-	333,061
Current liabilities	(272,303)	-	-	-	(272,303)
Creditors over 1 year	(40,885)	-	(1,200,000)	-	(1,240,885)
Pension scheme liability	-	(22,000)	-	-	(22,000)
Total net assets	<u>94,913</u>	<u>(22,000)</u>	<u>16,018,588</u>	<u>547,860</u>	<u>16,639,361</u>

	Unrestricted funds		Restricted funds	Endowment funds	Total funds
	General	Designated	funds	Permanent	at 31 March
	£	£	£	£	2022
Tangible fixed assets	297,362	-	17,078,622	-	17,375,984
Fixed asset investments	177,727	-	-	585,000	762,727
Current assets	151,379	-	433,967	-	585,346
Current liabilities	(263,662)	-	-	-	(263,662)
Creditors over 1 year	(44,188)	-	(1,200,000)	-	(1,244,188)
Pension scheme liability	-	(340,000)	-	-	(340,000)
Total net assets	<u>318,618</u>	<u>(340,000)</u>	<u>16,312,589</u>	<u>585,000</u>	<u>16,876,207</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

Charity

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2023 £
Tangible fixed assets	192,011	16,923,244	17,115,255
Fixed asset investments	150,002	-	150,002
Current assets	152,115	295,343	447,458
Current liabilities	(234,021)	-	(234,021)
Creditors over 1 year	(40,885)	(1,200,000)	(1,240,885)
Total net assets	<u>219,222</u>	<u>16,018,587</u>	<u>16,237,809</u>
	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2022 £
Tangible fixed assets	297,362	17,078,622	17,375,984
Fixed asset investments	126,002	-	126,002
Current assets	323,377	427,361	750,738
Current liabilities	(277,690)	-	(277,690)
Creditors over 1 year	-	(1,200,000)	(1,200,000)
Total net assets	<u>469,051</u>	<u>16,305,983</u>	<u>16,775,034</u>

27 Analysis of net funds

Group

	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	420,890	(255,104)	165,786
Debt due within one year	(5,463)	(1,947)	(7,410)
Debt due after more than one year	(1,244,188)	3,303	(1,240,885)
Net debt	<u>(828,761)</u>	<u>(253,748)</u>	<u>(1,082,509)</u>
	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash at bank and in hand	631,652	(210,762)	420,890
Debt due within one year	(9,167)	3,704	(5,463)
Debt due after more than one year	(1,240,833)	(3,355)	(1,244,188)
Net debt	<u>(618,348)</u>	<u>(210,413)</u>	<u>(828,761)</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2023

28 Related party transactions

Group

There were no related party transactions in the year.

Charity

There were no related party transactions in the year.

Accounts

Company registration number: 8162578

Charity registration number: 1153001

Lakeland Arts

(A company limited by guarantee)

Annual Report and Financial Statements

for the Lakeland Arts Group

for the Year Ended 31 March 2022

Stables Thompson & Briscoe
Chartered Accountants & Statutory Auditor
Lowther House
Lowther Street
Kendal
LA9 4DX

Lakeland Arts

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Lakeland Arts

Reference and Administrative Details

Trustees

E M Astle
M Benjamin
S A Crewe
K M Howarth
A Karwa
E Kentley
A M Lyles
J Mottram PhD
D Reid MCIOF
G F Rycroft
Lady E Scott
N W R Thompson

Senior Leadership Team

R Harris, Chief Executive
E Moss, Chief Operating Officer (until 11 June 2021)
L Garrett Hampson, Head of Marketing and Communications (joined 14 October 2021)
C Gilbert, Head of Development (until 28 February 2022)
C Kennedy, Director of Finance and Resources
K Offord, Head of Curatorial (until 23 July 2021)
I Read, Head of Engagement and Content
C Robinson, Head of Innovation and Business Development
J Wilson, Acting Head of Development (from 28 February 2022)
A Saczek, Head of Visitor Experience

Charity Registration Number

1153001

Company Registration Number

8162578

The charity is incorporated in England.

Lakeland Arts

Reference and Administrative Details

Registered Office	Abbot Hall Gallery Kirkland Kendal LA9 5AL
Auditor	Stables Thompson & Briscoe Chartered Accountants & Statutory Auditor Lowther House Lowther Street Kendal LA9 4DX
Solicitors	Simpson Millar (to June 2020) 5/7 Skipton Street Morecambe LA4 4AW
Bankers	Barclays Bank Plc 9 Highgate Kendal LA9 4DF

Lakeland Arts

Strategic Report for the Year Ended 31 March 2022

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2022, in compliance with s414C of the Companies Act 2006.

Chair's Foreword 21-22

During 21-22, Lakeland Arts' staff, volunteers and trustees continued to respond to the challenges of the Covid19 pandemic with extraordinary energy and dedication. Its impact was felt on every aspect of our operations. However, we continued to deliver high quality exhibitions and events, a rich programme of activities and many opportunities for engagement throughout the year, in line with our charitable aims and in new formats adapted both to meet the needs of our audiences and to comply with Covid safety requirements.

We started the year with all our sites closed to the public and over 50% of our staff still on furlough. The remainder of the team worked mainly from home, except when undertaking regular monitoring of security and environmental conditions. However, we increased our external communications during closure as the primary means of engaging with audiences. We were able to fully re-open to the public in May 2021, with a number of health and safety and social distancing measures in place for both visitors and staff.

Staff were keen to welcome visitors back again and to be at work, as this was our third experience of opening sites after successive lockdowns, we were able to do this adeptly.

2021 was a busy summer and staff deserve praise and commendation for working exceptionally hard in challenging circumstances. Visitor Experience and Catering Teams, in particular, were short-staffed all summer, because of the national recruitment crisis. We mitigated this with operational and menu changes, backfilling with younger seasonal staff and some senior staff supporting where appropriate. Despite all of this, our people-facing teams have delivered a consistently high-standard experience throughout the summer.

To support staff returning to work, we introduced an Employee Assistance Programme that provides support for employees and their immediate family in several health and welfare areas. We also standardised annual leave across the organisation.

We were delighted that Windermere Jetty Museum (WJM) was nominated as a finalist for the Stirling Prize, the most coveted architectural award in the UK. The RIBA Stirling Prize Judges visited WJM in October, Chaired by Lord Foster, who commented that "on the shores of Windermere is a gem of a museum". This nomination has placed WJM on the international stage and it is considered one of the six most important contemporary buildings in the country, this year.

Prior to that Windermere Jetty Museum won the: RIBA North West Award 2021, RIBA North West Building of the Year Award 2021 and RIBA North West Client of the Year Award 2021.

"The client, Lakeland Arts, is to be applauded for having the confidence and ambition to commission this significant piece of architecture and major building in a sensitive location at the heart of the Lake District National Park. The project has been seen through with rigour and integrity from the architectural competition in 2011 to its successful opening to the public. It has enabled Lakeland Arts to further develop their longstanding commitment to artistic and cultural engagement with visitors and the local community." RIBA judge

We were also thrilled that MEND (Make, Enjoy, New Dialogue), a community-focused project created in response to the COVID-19 pandemic, aimed at connecting people across Cumbria through creative collaboration and shared experiences, has won a Fantastic for Families award. This award is for Audience Impact and Innovation with the judges being 'impressed with the dynamic approach to partnerships with community groups from outside of the arts world'.

Next stage for this innovative project is to convert a Ford Transit van into a mobile MEND and making workshop and museum on wheels that will tour around Cumbria. This will take place in 2022.

Lakeland Arts

Strategic Report for the Year Ended 31 March 2022

During autumn 2021, Lakeland Arts hosted a number of VIP visitors, including HRH the Duchess of Cambridge in September. She arrived at WJM on our very own Steam Launch Osprey with two of the surviving 'Windermere Children', a group of 300 child Holocaust survivors who came to stay in the Lake District in 1945. We hosted this event and supported the Lake District Holocaust Project, the charity who are keeping this important part of Windermere's history alive. The Duchess' visit generated a lot of media attention. The CEO met and greeted her as she arrived at WJM and spoke briefly about our work.

We were pleased to welcome Darren Henley, Director of Arts Council England for his first visit to WJM, as part of a trip to Cumbria. He particularly enjoyed his trip on Osprey. In collaboration with Cumbria Tourism, DCMS's new Head of Tourism, Hanna Ostling also visited Cumbria and a tour of WJM with the Chair and CEO was followed by a constructive round-table discussion with other key cultural organisations in our region.

We successfully raised emergency funding of £1.2M from statutory, Lottery, charitable and philanthropic sources to address the C19 loss of income. Included in the £1.2M was £674K Cultural Recovery Funding. This was an unprecedented fund created by the government to tackle the crisis that has faced cultural organisations and heritage sites during the coronavirus pandemic.

We were severely affected by Storm Arwen, with physical damage to our sites and power outages for almost a week. Our sites were closed for several days and some boats in our collection required repair and conservation.

Lakeland Arts is part of the Cumbria Museum Consortium (CMC) and collaboratively we deliver cultural engagement and activities for the people of Cumbria. The Consortium receives Art Council England (ACE) National Portfolio Organisation (NPO) funding. In 21-22, we revised our CMC key objectives to ensure that we are reflecting the investment principles in ACE's new strategy Let's Create as well as continuing to fulfil our existing funding obligations. The NPO process was been extended by a year due to Covid-19 so we have another year's guaranteed funding before applying for the new funding round to start in 2023.

Steering our way through this challenging period and the many successes of 2021-22 must be credited to the dedicated Lakeland Arts staff, led by CEO Rhian Harris, and to our team of committed volunteers. I would also like to thank to my fellow Trustees and the members of our Committees and Advisory Groups who work hard to maintain the highest standards of governance and accountability. I am hugely grateful to everyone who contributes their time and expertise for the benefit of Lakeland Arts and its visitors.

I would like to thank our regular funders - Arts Council England and the South Lakeland District Council for their steadfast support, as well as the many other trusts and foundations who have provided grants and donations during the year. My heartfelt thanks also go to our Patrons, Benefactors and Friends ,who are enthusiastic champions of Lakeland Arts and have continued to support us through the ups and downs of the many and various consequences of Covid 19. We are very grateful to you.

Our Activities

Context

Lakeland Arts continued to be impacted by the Covid-19 pandemic during the 2021/22 financial year and consequent loss of income.

To mitigate these losses, we refocused the organisation to become more efficient and enterprising, developed new income streams and adapted to our audiences' needs in the community and at our museums. We have taken opportunities for engagement to communities rather than expecting them to come to our sites and have maximised the opportunities our sites can provide in the pandemic era, by for example, increasing our outdoor seating at Windermere Jetty Museum's café which has improved income generation and using Windermere Jetty Museum as a venue for outdoor theatre and cinema over the summer.

Lakeland Arts

Strategic Report for the Year Ended 31 March 2022

We also made physical, digital and programme adaptations to Windermere Jetty Museum. These include:

- Expanding the outdoor catering offer by installing hand crafted 'pavilions' with heated seating, making the most of location and extended visitor season
- Implementing STEAMScape, a year-long research programme to inform future capital development and adaptation of external spaces and outdoor programme at the Museum. They will build on Windermere Jetty Museum's strengths in science, technology, engineering, arts and maths (STEAM) and target local and tourist family audiences and schools.
- Building online and digital programming into the museum's permanent displays; delivering imaginative, engaging, audience experiences using augmented reality.
- Introducing online retail to increase income.

Windermere Jetty Museum and Blackwell re-opened in May 2021. Using Visit Britain recommendations, we set realistic targets for visitor numbers based on restrictions on admission numbers and the expectation that visitors would be cautious.

Venue	21/22 Visitor Numbers	% compared to budget	% compared to 2019 actuals
Blackwell	18,112	116%	64%
Windermere Jetty Museum	18,633	97%	66%

There is a noticeable drop off in admissions in the fourth quarter at Blackwell, in line with staffing shortages but still remaining higher than budget.

Programming

In the financial year 21-22, Lakeland Arts delivered a wide range of exhibitions, displays and events; onsite, in the community and online.

Exhibitions

House of the Setting Sun

In May 2021 we opened the *House of the Setting Sun* exhibition at Blackwell which focused on Japanese objects in our collection. The majority of the objects had never been on display before and required extensive research, conservation cleaning and bespoke mounting solutions.

The most significant of these was the Late Edo-Period kimono we had in our collection, which had been wrongly attributed upon its entry into the collection as a British made replica. Through research, our Programme Curator was able to identify it as a Japanese garment dating from Late Edo Period and deduce the samurai family to which it belonged. She consulted with an expert at the V&A, who confirmed her research was correct. Another significant piece of work completed in the preparatory stages of the exhibition was the research and attribution of many of our Japanese works on paper. Through research, we discovered that our collection contains woodblock prints by some of the great Japanese Ukiyo-e artists, including Katsushika Hokusai, Utagawa Hiroshige and Utagawa Kunisada.

For the exhibition, we also commissioned UK-based Manga artist Inko Ai-Takitas to create an engaging Yokai trail for younger audiences at Blackwell; Yokai are supernatural beings from Japanese folklore.

"So lovely to return to this beautiful house after months of shielding. The staff were very welcoming and the Covid procedures in place made us feel safe and secure on site. Our visit was enhanced by the new House of the Setting Sun exhibition which shows the links between our Arts & Crafts Movement and traditional Japanese crafts."

Lakeland Arts

Strategic Report for the Year Ended 31 March 2022

Wrecked!

The *Wrecked!* exhibition opened at the end of May 2021 as a family-friendly experience and trail around the museum which explored Windermere's long-lost shipwrecked boats including The Mournful Marriage, a tragic ferry accident that took place on Windermere, the early accidents of the first steamboats and amazing rescues of boats pulled from the depths of Windermere.

Visitors explored an immersive experience that asked them to solve puzzles, reveal secrets, and discover stories that were once lost to the water. *Wrecked!* spanned both the indoor and outdoor spaces of the museum.

Wrecked! also highlighted the opportunities we all have to limit our environmental impact on the lake and help protect the lake for future generations.

The exhibition was developed alongside children from St Martin and St Marys Primary School in Windermere. It also included recording two oral history interviews using video conferencing for the first time; enabling us to collect the fascinating story of a helicopter crash on Windermere in 2001, and a first-hand account of the raising of Steam Launch Dolly in 1962.

Most of the items in the exhibition have never been displayed to the public before. Two of the 'shipwrecks' are model boats which were found in the Windermere Steamboat Museum collection. Using documentation research, we confirmed that they were a historic loan from the Lakeland Museum collection and had been dug out of Windermere silt near Cockshott Point.

"Best museum we have taken them to. Honestly - they engaged and learned and laughed!" Boys aged 7 & 10 on holiday.

Class, Covid & Cumbria (including; Weathering the Storm & Juliet Klottrup)

In collaboration with the Currell Collection, Lakeland Arts staged an exhibition from October 2021 to February 2022 at Blackwell to explore the motifs and imagery in Grayson Perry's tapestry, *The Annunciation of the Virgin Deal*, which illustrates the life and times of Tim Rakewell. This is one of a series of six tapestries by Perry which are a play on A Rake's Progress, based on William Hogarth's 18th-century paintings, they tell a man's story as he rises from working-class obscurity to greatness and then falls again.

This important work was used as a starting point to explore ideas of class and education and the impact of the Covid-19 pandemic on different sections of society. This has included commissioning a new artwork by Cumbrian artists inspired by the tapestry's themes:

Juliet Klottrup, an award-winning young photographer, was commissioned to capture six portraits of Cumbrians and collect their stories of the Covid-19 pandemic. Displayed alongside photographs by Joseph Hardman from the Lakeland Arts Collection, this part of the exhibition highlighted the great variety of lockdown experiences and those shared experiences that brought communities together.

An external commission by Cumbrian textile artist Rosie Galloway-Smith. Inspired by the repeat patterns found within Blackwell, Galloway-Smith created repeat pattern textiles featuring motifs inspired by community narratives, which were then constructed into clothing and hung upon a washing line. Entitled *weathering the storm*, the concept reflected the incredible resilience of Cumbrian communities during such a turbulent time.

In the Blackwell Guild, a display of art works created through the Lakeland Arts MEND project showcased deeply personal stories of resilience during the pandemic. Created with Lakeland Arts MEND producers during the second lockdown, the works highlighted perspectives of young carers, domestic abuse survivors, a mental health support group and those shielding in isolation.

Lakeland Arts

Strategic Report for the Year Ended 31 March 2022

Lost In Cumbria

Featuring new work by local artist and activist, Maddy Humberstone, *Lost in Cumbria* was a multimedia installation that explored the plight of Cumbria's rare and endangered species. Produced over ten months, the artist created each piece in partnership with her local community of Kirkby-in-Furness, enlisting the help of local primary schools, the Kirkby-in-Furness Ladies Supper Club and internationally renowned designer, Deborah Milner, who was born and raised in the village.

Inspired by the Arts & Crafts Movement's philosophy to return to nature, the installation grew organically from Blackwell's rowan frieze, transforming the gallery and inviting the outside in. The backdrop of the installation was an Arts & Crafts inspired wall hanging which featured endangered or already extinct Cumbrian animals in its design.

The exhibition is the first in Blackwell's *New Year New Make* series, in which emerging artists are invited to work with community groups to create new work.

Colliding Forces

Funded as part of the Weston Culture Fund project, this new augmented reality experience brings the hidden relationship between technology and nature to life. Using 3D animation and weather-driven data, two immersive digital sculptures have been installed across the site, revealing aspects of the museum never seen or imagined before.

Internationally recognised digital artists Daria Jelonek and Perry-James Sugden, from the London-based *Studio Above & Below*, were selected as part of an open call-out. Working in collaboration with developer agency *Arcade*, they developed two experiences which are hosted on the new Lakeland Arts app. Each is triggered by a QR code and has in-built triggers for audience feedback.

Collections and Displays

In order to prepare for the upcoming Abbot Hall redevelopment project, several areas of the site were fully decanted:

- **139 artworks**, mainly consisting of the highest value pieces in the collection and long-term loans, were moved to the new external store at M&G.
- Approximately **1990 objects** were decanted from the Old Grammar School and the Abbot Hall South Attic and taken to the newly developed Decorative Art Store in the Lakeland Arts Barn.
- Approximately **412 objects** were decanted from the Abbot Hall North Attic and taken to a temporary store in the Lakeland Museum exhibition space. As significant quantities of moth frass and carpet beetle larvae were discovered during the decant, all textile objects were wrapped in double layers of polythene and a project has begun to freeze these affected items in the on-site chest freezer.

As a result of the National Lottery Heritage Emergency Funding grant, bespoke plinths were purchased enabling the following objects from the collection to go on display for the first time:

- 1/8th scale model of *MV Canfly*, made by Keith Townsend, 1983
- 1/8th scale model of *SL Bat*, made by Keith Townsend, 1984
- Scale model of *SL Branksome*, made by James William (Bill) and David Gerrard, 1990s

Lakeland Arts

Strategic Report for the Year Ended 31 March 2022

Acquisitions

There were 30 acquisitions to the collection, including:

- *My Dainty Duck*, Sail No. 4, a Flying Fifteen sailing boat designed by Uffa Fox which is believed to be one of the earliest examples of its class.
- *Golden Oriole*, Sail No. 1, a Flying Fifteen sailing boat designed by Uffa Fox which is believed to be one of the earliest examples of its class.
- Sailing dinghies *Swallow and Amazon*, which were used for the production of the 2016 *Swallows and Amazons* feature film.
- Glass photographic negatives by the renowned Lakeland photographer Joseph Hardman, as well as a portrait series of glass plate positives by Lancashire photographer Samuel Thompson.
- *Turtle*, a Windermere A Class model yacht designed and built by Windermere boatbuilder Harry Breaker in 1937.
- *Chilean Peasant and Figure Study*, two pastel sketches by the artist John Duguid.
- An Arts & Crafts child's rocking chair with rush seat and marquetry of a cow jumping over the moon from the nursery rhyme *Hey Diddle Diddle*, attributed to William Birch, bequeathed by the late Miss Christine Stevenson.
- Five works on paper by various artists and five pieces by the studio ceramicists Katherine Pleydell-Bouverie and William Marshall were bequeathed by the late William Lawrence Johnstone.
- A watercolour sketch by Gordon Hargave of an unlocated Lakeland scene
- A painted screen by George Romney, allocated to Lakeland Arts through the Acceptance in Lieu scheme.
- Four textile works by Cumbrian textile artist Rosie Galloway-Smith, from her installation *weathering the storm*, exhibited at Blackwell - the Arts & Crafts House as part of *Class, Covid & Cumbria*.

Collections loans out

Exhibition Loans Outgoing (England)	Quantity
Lenders	
Hepworth Wakefield	2
Total	<u>2</u>
Exhibition Loans Outgoing (rest of UK)	
Lenders	
Scottish National Library of Modern Art	1
Total	<u>1</u>
Exhibition Loans Outgoing (International)	
Lenders	
Total	<u>-</u>

Collection care and documentation

- The curatorial team continued their audits of the social history store at Lakeland Museum and the Small Object Store at Windermere Jetty Museum, with the assistance of two regular volunteers. During these audits, approximately 147 objects have been entered onto Modes.
 - As part of documentation reconciliation, a new system has been devised for recording orphan loans: 50 orphan loans have now been identified.
- The curatorial team continue to undertake weekly conservation cleaning at Blackwell (2 people for 2 hours) and Windermere Jetty Museum (1 person for 1 hour), supplemented by winter deep cleans during the January closure.

Lakeland Arts

Strategic Report for the Year Ended 31 March 2022

Participation and Learning

During 2021-2 the Participation and Learning team ran the MEND project, with the aim of conducting all guided activity offsite and offering our skills to local community groups. Some of these activities started in 2020 but have continued in to 2021. They include:

- Online Art & Crafts club for Young Carers aged 7-13, to take their minds off the stress of their home environment during lockdown.
- Outdoor workshops for home educated early years children, to support rurally isolated families.
- Online and offline art sessions for vulnerable adults at The Lighthouse Mental Health Community Hub, as a creative outlet responding to the pandemic.
- Online art sessions with adult shielders in Cumbria, where they created miniature rooms as a creative response to social isolation.
- Support for Ulverston Food Waste group.
- Co-writing an online interactive text game with Springfield Support, a domestic abuse charity with a creative outcome to raise awareness of domestic abuse.
- Developed partnerships with Kendal Integrated Care Communities and the University of Lancaster's Institute for Social Futures.

More detailed examples of how Lakeland Arts has engaged with its audiences and local community is detailed below:

Art on the Green (Torchlight Festival 2021)

Lakeland Arts supported Kendal's annual Torchlight Festival with creative activities on the lawns of Abbot Hall. Two art activities were led by the team that animated the space in front of the closed building and enabled the team to have conversations with local people about their aspirations for Abbot Hall.

Windermere Science Festival 20 & 21 March 2022

Windermere Jetty Museum held the first ever Windermere Science Festival. 1500 people engaged with the festival, either through off site engagement sessions with primary and secondary schools, or over the actual weekend, making it one of the busiest weekends of the year.

The festival was made possible through the Weston Culture Fund, as part of Lakeland Arts' research to develop a deeper understanding of what families might want from the site. Through this funding we were able to; appoint a Festival Director to oversee the programming of the festival, programming budget for talks, lectures, demonstrations and performances, do more targeted marketing to local residents (the weekend coincided nicely with National Lottery Open Week 2022, with lottery ticket holders attending free of charge), and crucially to have paid freelance field workers doing some evaluation and feedback on the festival. This research of findings fed into a large summary of the festival.

A thoroughly enjoyable weekend with a high percentage of first-time local family visitors to the site.

Forge Festival

Forge Festival is a two-year project, led by The Knotted Project (Cumbrian based community theatre company), with a number of funding partners across Cumbria and by Arts Council England. Lakeland Arts is a major partner and supported the development of the Forge Festival with funds and performance spaces.

Part of the Forge Festival (May 2021) was to develop four young companies across Cumbria, of which one was based at Windermere Jetty Museum for those children and young people living locally. Research undertaken by The Knotted Project in 2020 revealed that young people aged 16 - 24 felt there was a lack of opportunities to be creative in the area. The target age group for the young company at Windermere Jetty Museum focused on 16-24 age range. The majority of the group of young people involved with the project, were neurodivergent and many struggling with confidence. Over the workshops they developed confidence, a tight social group, respect and love for the site and created their own original written performed and musical pieces.

Forge Festival performances are planned for 1 May 2022

Lakeland Arts

Strategic Report for the Year Ended 31 March 2022

CliMART

CliMART is a co-produced project working with young people from across Cumbria who are passionate about the environment and are interested in campaigning and making a difference in relation to climate justice issues. CliMART seeks to support and empower Cumbrian young people by exploring ideas around art as activism. We work in partnership with other local organisations as part of this project including CDEC (Cumbria Development Education Centre) Young Climate Leaders programme, CAfS (Cumbria Action for Sustainability) Climate Cafe and Cumbria County Council (and the South Lakes Youth District Council).

CliMART is a long term, youth-led project which will grow and develop over time. We intend to use Windermere Science Festival 2023 as a space to present outcomes from the first year of action. We will also invite young people involved in the project to contribute to the curation of our new climate focused exhibition of Lakeland Arts collection at Abbot Hall when it reopens in 2023; alongside work they have created themselves. During 2022/23 we will be taking our felt badge, collaborative banner and printed zine workshops to secondary school eco councils across the county. We aim to use as many ethically sourced materials as possible, such as scrap diverted from landfill sourced from Ragtag Arts Community Scrapstore.

MART Creatives

This formal learning programme, working in schools for children and young people, launched in September 2021, much of the planning work took place in academic year 2021/22, and the work will officially start in 2022/23 year.

This programme sets out an ambition for long term creative partnerships with identified Cumbrian primary schools and explores how we as an arts organisation can work with staff and students to develop an enhanced curriculum. Lakeland Arts believe that although a one-off visit to one of our sites can be a wonderful, enriching experience, on its own it will not transform the creative confidence of the whole school.

We feel strongly that a long-term programme of opportunities that seeks to enhance and extend the experiences, skills and understanding of both staff and students about arts, culture and creativity will transform the creative life of the whole school community. As part of MART Creatives each primary school will benefit from the following:

- A whole day's worth of CPD for their staff.
- A self-guided visit to a Lakeland Arts site.
- The opportunity for one year group to work with Lakeland Arts collection items and a Creative Producer, to take inspiration from the work and create their own work through a half day workshop at Blackwell - the Arts & Crafts house and a whole day workshop at their school.
- An exhibition of the work made by the identified year group at Blackwell - the Arts & Crafts house.

MEND

MEND is a community-focused project introduced in response to the Covid-19 pandemic, aimed at connecting people across Cumbria through creative collaboration and shared experiences. The pandemic changed the way all of us live; from how we work, learn and spend our free time to how we feel and interact with others. In 2021, with our venues closed, the Participation and Learning team reached out to create authentic experiences to mend objects and local communities.

The MEND project won the *Fantastic for Families Award for Audience Impact and Innovation*. The project was praised for the way it used creativity to engage those least likely to tap into collections or creativity.

"The MEND project grew out of a discussion around the act of mending, about how it can be an act of repairing and making. Making mends objects, minds, communities, and hearts, everyone is creative in their own way. By taking our MEND van out to different locations we are aiming to deepen our understanding of what people in Cumbria need and want from our arts and heritage venues. This will help us to keep improving what we offer and make lasting connections county wide. Our exciting oral history project will ensure that contemporary culture and stories of this region are preserved for future generations."

Lakeland Arts

Strategic Report for the Year Ended 31 March 2022

Raven's Wake

Outdoor immersive theatre company Periplum were commissioned in summer 2021 to create an original and performative piece, co-created with local communities, that would enrich storytelling for visitors as part of the Weston Cultural Fund project and to support Lakeland Arts' understanding of family audiences.

Lakeland Arts worked with Periplum and the local community to capture original local stories that would inspire the performances and soundscapes.

The project created a unique sound installation on our operational steamboat at Windermere Jetty Museum, with performances on board, creating a special and magical experience - a poetic journey across Windermere.

Boat Conservation

We continue to develop specialist boat conservation skills at Windermere Jetty Museum, with the team carrying out complex and detailed work on steam launch *Lady Elizabeth*.

The work has included:

- Conservation on the hull and carrying out other minor repairs to woodwork.
- Completing replica boiler and paraffin burner system manufacture; done in-house.
- Working on the boiler casing, fire box, smoke box and funnel.

Earned income

The commercial operation of Lakeland Arts is run by Lakeland Arts Enterprises Ltd, Lakeland Arts' wholly owned trading subsidiary which undertakes all non-primary objects of the charity and donates the net income to the charity on an annual basis

Weddings, venue and location hire

Lakeland Arts welcomed its first wedding reception in April 2021 at Windermere Jetty Museum, this is a growing area of revenue for the organisation and one that is being developed further. Lakeland Arts also began actively welcoming location hire bookings. This has included a number of photo shoots as well as film shoots. Again, this is a growing area of revenue and continues to be developed.

Visitor Experience

It is evident that visitors benefit from human interaction. In response to this, (once Covid-19 restrictions began to lift) we re-introduced guided tours and talks across both venues and are piloting volunteer stewards within the gallery spaces who engage with visitors, enriching their experience.

Events and activities

Lakeland Arts has focused on developing the right type of event for the right venue. This has seen the introduction of new events at Windermere Jetty Museum (cinema, performance and theatre events) and increasing the frequency of popular events at Blackwell (craft fairs and performance).

Catering and Retail

Upon reopening after lockdown, both venues continued to be affected by Covid-19 secure measures. Blackwell, in particular, was impacted by the requirement for reduced capacity. The hospitality industry was experiencing a staffing crisis which was felt by Lakeland Arts. A number of roles within our cafes were vacant for long periods of time. This resulted in reducing the lunch time offer and closing on some days. By the end of 2021 we began to recruit into vacant roles and over the following months regained stability in the offer and were able to avoid closure days. The quality of offer at Windermere Jetty Museum has improved considerably across both catering and retail.

Lakeland Arts was successful in applying to the Steps to Sustainability, a new National Lottery Heritage Fund programme delivered by the Social Enterprise Academy and received £10,000 towards retail strategy and development.

In February 2022, after an initial pilot, Lakeland Arts formally launched its online shop with a variety of products including the popular Blackwell Range. This ensures that visitors from elsewhere can purchase products from our wonderful retail ranges. It also provides a reliable income stream in the event of future lockdowns due to Covid-19 or other unforeseen events.

Lakeland Arts

Strategic Report for the Year Ended 31 March 2022

Raised Income

Lakeland Arts is grateful for the donations, grants and sponsorship we receive from all the individuals and organisations who support us. The support means we are able to continue our work, helping us to conserve our Grade I listed buildings, care for and develop the Trust's collections, promote world-class art and heritage and deliver exciting exhibition and learning programmes. Lakeland Arts would like to sincerely thank all the individuals and organisations mentioned in this report, and all those who wish to remain anonymous.

Despite a challenging 12 months due to Covid-19 restrictions, Lakeland Arts has managed to stabilise our financial position by raising £1.2million in the year ending 31 March 2022. This represented 44% of our overall income in 2021-22. Valuable support came from a range of sources, including individual donors, trusts and foundations, statutory funders and corporate organisations.

As a member of the Cumbria Museum Consortium, an Arts Council England National Portfolio Organisation, Lakeland Arts received unrestricted core funding, working in partnership with Wordsworth Grasmere and Tullie House Museum and Art Gallery. Statutory funder support for our core activities was also received from funders Cumbria County Council, South Lakeland District Council and Kendal Town Council.

Funding to address the challenges of the pandemic period and support the ongoing sustainability of our organisation was received from the Arts Council's Culture Recovery Fund, the National Heritage Lottery Fund and Social Enterprise Academy, Weston Culture Fund and through Restart Grants for Abbot Hall, Windermere Jetty Museum and Blackwell.

We received the third and final instalment of a three-year, £95,000 grant from the John Ellerman Foundation towards the salary costs of a Collection Management Assistant and Curatorial and Programming Assistant.

Restricted funding to support specific projects and activities included grants from the Headley Trust towards Windermere Jetty Museum, the Art Fund for our MEND on the Move community engagement work, the Areti Charitable Trust towards schools workshops and from the Association for Industrial Archaeology, the Sir John Fisher Foundation and the John R Murray Charitable Trust towards boat conservation and restoration work.

Lakeland Arts continues to receive support from our Friends, Patrons and Benefactors, raising a total of £72,000 in 2021-22 from membership schemes. Individual donations received included contributions via a major Just Giving public campaign towards the conservation of 150 year old former cargo boat Raven and a £5,000 legacy bequest.

The year also saw a change in personnel within the team, with a new part-time Fundraising Officer in post from September 2021 to increase the capacity of the team and the current Development Manager acting up following the departure of the previous Head of Development in February 2022. During this period we drew on the expertise of fundraising consultant Leo Crane, offering strategic advice particularly with regards to individual giving and stewardship of existing members and donors. A new Head of Development was appointed to start in post in June 2022.

Marketing and Communications

The Business Development Manager managed the marketing and communications team through the re-opening and summer tourism season 2021. With increased visitor numbers to both Windermere Jetty Museum and Blackwell, a new part-time Head of Marketing and Communications started in October 2021 and a new Marketing Manager in November 2021.

After greatly reducing printed material production and distribution to save costs throughout the pandemic, the marketing team was able to produce new venue leaflets for distribution across targeted sites in North Lancashire, Cumbria and West Yorkshire and update out of home poster sites.

The shift to increased digital marketing continued with ongoing work to the website and with the Garfield Weston-funded Digital Assistant focusing on building both social media and the online retail shop. The team also used the online Member's Room and twice monthly emails to keep members and subscribers engaged.

Lakeland Arts

Strategic Report for the Year Ended 31 March 2022

The lead up to venues reopening in April/May saw a large spike in social media following and participation as well as website traffic. Other spikes in both online activity and visitor numbers included the visit to Windermere Jetty Museum by the Duchess of Cambridge and coverage of the 2021 RIBA Stirling Prize Finalist announcement. Windermere Jetty Museum continued to be a popular filming destination with Channel 4 and BBC film crews on site throughout the year for various projects, increasing online audience base nationally.

Staffing and bad weather caused message inconsistency challenges with closures and cancellations of venues, tearoom and tours. The websites, email and social channels partially shifted focus to provide real-time customer service communications.

Campaigns such as #Mendwithus and Object of the Week gave people digital access to the Lakeland Arts collection.

The team continued to work with Audience Agency to engage and survey visitors and partnered with Lancaster University on a visitor research project.

Capital projects

Abbot Hall and Lakeland Museum remain closed, while we undertake essential repairs to the buildings as the first phase of a longer-term project to re-develop the site. We will undertake capital works on electrics, flood resilience and necessary decoration with the aim of re-opening in 2022/23.

Abbot Hall will then re-open in 2022/23 with an exhibition by international land artist Julie Brook who will create new work in response to the Cumbrian environment on the Abbot Hall site. The art Julie creates will be external and, therefore, accessible to passers-by. Inside Abbot Hall there will be an exhibition of immersive artist-led films, photographs and installations of her work.

FINANCIAL REVIEW

In 21-22 income generated totalled £2.7M, of which £2.6M was unrestricted and £148K was restricted. This was a reduction on the 20-21 income which totalled £3.3M where the unrestricted income was £2.3M and the restricted income £900K.

Unrestricted funds are made up of 55% from Donations, Grants and Legacies, 18% from Charitable Activities and 24% from Trading Activities. In comparison, in the prior year, the unrestricted funds generated were 78% from Donations, Grants and Legacies, 13% from Charitable Activities and 7% from the trading activities. Trading activities in 21-22 were only £130K lower than the pre-covid trading income level.

Total resources expended were £3.835M, an increase of £1.611M on the prior year. Of the £1,198M restricted expenditure in 21-22, £702K related to the impairment of the AH development costs which had been recorded on the balance sheet in previous years, £157K related to the costs incurred as part of the Garfield Weston Foundation funded project as well as £155K for depreciation of the WJ site. Unrestricted expenditure increased by £734K, which is expected now the pandemic is behind us and we can trade without restrictions.

At 31st March 2022 the carried forward restricted funds balance is reporting a surplus of £16.31M and the carried forward unrestricted funds balance reporting a much reduced deficit of £21K.

Policy on reserves

The Board have set a reserves policy equivalent to two month's unrestricted charitable expenditure. The Board aspires to build reserves as soon as reasonably possible beyond this minimum amount to a forecast surplus position.

Lakeland Arts

Strategic Report for the Year Ended 31 March 2022

Factors likely to affect future financial performance or position

The Covid-19 pandemic continues to impact upon Lakeland Arts in the financial year ending 31st March 22.

Lakeland Arts continues to be successful with its applications for emergency funding, having been awarded £349,000 from the DCMS Culture Recovery Fund: Continuity Support, which exists to support cultural organisations who have previously received funding from the Culture Recovery Fund: Grants programme, in the first or second rounds, and can clearly demonstrate the financial need for further funding in order to operate on a viable and sustainable basis by 31 January 2022.

Principal funding sources

The principal sources of funding for the costs of operating Blackwell the Arts & Crafts House, Windermere Jetty Museum and Abbot Hall Art Gallery are Arts Council England, various grants, investment income, membership fees, donations, gift aid and earned income.

Investment policy and objectives

The charitable company has the power to make investments as it sees fit. The investment policy determined by the trustees for the endowment funds is to provide a balanced return from a broad spread of medium risk investments, and for general funds to provide a higher income from a spread of lower risk investments.

The investment policy is implemented by professional investment managers Sarasin & Partners LLP.

Principal risks and uncertainties

Major risks

All significant activities undertaken are subject to a risk review as part of the initial project assessment and implementation. Major risks are identified and ranked in terms of their potential impact and likelihood. Major risks, for this purpose, are those that may have a significant effect on:

- Operational performance, including risks to staff, volunteers and visitors;
- Achievement of aims and objectives; or
- Meeting the expectations of beneficiaries or supporters.

The trustees review these risks on an ongoing basis and satisfy themselves that adequate systems and procedures are in place to manage the risks identified. Where appropriate, risks are covered by insurance. The following framework is central to ensuring adequate risk management:

- Regular monitoring of major risks and development of disaster recovery plans;
- Embedding risk identification and assessment within operating procedures;
- A clear structure of delegated authority and control; and
- Maintaining reserves in line with set policies.

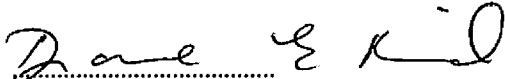
In assessing risk the trustees recognise that some areas of work require the acceptance and management of risk if key objectives are to be achieved. The trustees have reviewed the major risks to which the charitable company is exposed and identified control and mitigation procedures, under the headings of:

- Governance;
- Operational;
- Financial;
- Environmental; and
- Compliance.

Lakeland Arts

Strategic Report for the Year Ended 31 March 2022

The strategic report was approved by the trustees of the charity on 9 December 2022 and signed on its behalf by:


.....
D Reid MCIOF
Trustee

Lakeland Arts

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2022.

Trustees and Officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	E M Astle (appointed 23 September 2022)
	M Benjamin
	S A Crewe
	K M Howarth (appointed 22 July 2021)
	A Karwa (appointed 27 May 2022)
	E Kentley
	A M Lyles (appointed 23 September 2022)
	J Mottram PhD
	D Reid MCIOF
	G F Rycroft (appointed 22 July 2021)
	Lady E Scott (appointed 27 May 2021)
	N W R Thompson

Senior Management / Leadership Team:	R Harris
	E Moss
	L Garrett Hampson
	C Gilbert
	C Kennedy
	K Offord
	I Read
	C Robinson
	J Wilson
	A Saczek

Objectives and activities

Objects and aims

Our Vision is to use the power of culture and the artistic creativity, landscape and heritage of Lakeland to transform lives and enrich communities.

We achieve this through remarkable venues, rich collections, engaging programme and passionate people all connected by a powerful sense of place. The work we do is rooted in our local community and has a transformative effect on visitors and audiences.

Lakeland Arts

Trustees' Report

Strategic Objectives:

The delivery of our vision and our mission over the next five years is centred on four key objectives we've identified as integral to ensuring Lakeland Arts builds on its reputation as one of the most remarkable cultural and heritage organisations in the North of England

Strategic Objective 1: Curating and Caring

To care for our collections and challenge our thinking so that people from all walks of life - and from near and far - can explore and take inspiration from our world-class offering.

Strategic Objective 2: Reaching Wider

We will strive to reach more people as we become better known and more accessible to a wider range of visitors. Key to this is being clear about our work and how we can appeal to different audiences.

Strategic Objective 3: Engaging and Empowering

We will build a culture of care, respect and inclusion with people at the heart of our organisation. We believe museums are about sharing stories and are places where debate and discussion are encouraged.

Strategic Objective 4: Sustainable and Resilient

We will build for the future by becoming a more dynamic, financially secure, environmentally aware, and socially sustainable organisation.

Fundraising disclosures

As an accredited museum Lakeland Arts adheres to the Museums Association Code of Ethics for Museums. The Code defines the ethical principles which guide museum practice and underpin policy and practice regarding the development of museum collections. An ethical approach to museums also underpins the Accreditation Standard. This code supports museums, those who work in and with them, and their governing bodies in recognising and resolving ethical issues and conflicts. It sets out key ethical principles and the supporting actions that museums should take to ensure an ethical approach to their work in relation to their audiences, local communities, donors, source communities, partner organisations, sponsors and funders. Lakeland Arts is an organisational member of the Museums Association.

Lakeland Arts has a set of policies that ensure we implement and adhere to the Museums Association Code of Ethics, including in relation to donors and funders. These include our Privacy Policy and our Safeguarding Children and Vulnerable Adults Policy, which applies to all staff, trustees, volunteers, and contractors, and sets out how we would recognise and deal with incidents of suspected financial abuse.

During 2021-22 Lakeland Arts did not contract professional fundraisers from a third-party business to carry out fundraising on its behalf.

In 2021-22 Lakeland Arts did not receive any complaints about activities by the charity or by a person on behalf of the charity for the purpose of fund-raising.

Lakeland Arts
Trustees' Report

BENEFACTORS AND PATRONS

Benefactors

Mr and Mrs A Ambler
Mr and Mrs T J R Harding
Dr A C I and Mrs Naylor
Mr and Mrs JS Rink
Mr and Mrs M Southern
Dr J P L Welch

Patrons

Mr M Ainscough
Mr C H Bagot and Mrs S Bagot MBE
Mr and Mrs J Campbell
Mr and Mrs D Case
The Lord and Lady Cavendish
Mr C Crewdson OBE and Mrs Crewdson
Sir James Cropper KCVO
Mr and Mrs W Dufton
Ms W Ellis
Mr J Entwistle OBE and Mrs Entwistle
Mr and Mrs N J Fleming
Mr and Mrs M Gibbons
Mr R Hasell-McCosh
Ms J M Holland
Susan, Lady Kimber
Mr and Mrs J Lee
Mrs D Matthews
Mr J S Nicoll and Ms L Colchester
Mr T C Parker
Mr P Kessler MBE and Miss D Rose QC
Sir Christopher and Lady Scott
Mr and Mrs A Scott
Mr N Thompson
Mr J H Townson
Dr T Tuohy
Mr and Mrs G M Wallace
Mrs M Warburton
Mr and Mrs P M White
Ms J Wood
Mr C Woodhouse CVO
Mr J N C Woodhouse

And all those who wish to remain anonymous

Lakeland Arts

Trustees' Report

Public benefit

Abbot Hall was opened as an art gallery in September 1962 and has since built up an outstanding art collection and created a strong exhibition programme.

In 1971 the Museum of Lakeland Life & Industry (MOLLI) was opened in the coach house and stable block at Abbot Hall and developed an important and extensive collection relating to the social and industrial history of the Lake District and Kendal.

In July 2001 Blackwell was opened, a Grade 1 Listed house, in a stunning position above Lake Windermere, looking across to the Conistone Fells. Designed by MH Baillie Scott and completed in 1900, this is one of the most important Arts and Crafts houses in the UK with a national reputation for its programme of exhibiting historic and contemporary crafts.

In March 2019 Windermere Jetty was opened, a world-class museum and tourist attraction.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Structure, governance and management

Nature of governing document

Lakeland Arts (the charitable company) is a company limited by guarantee and is also a registered charity. The charitable company was set up as part of an exercise to modernise the constitution of a separate charity, Lakeland Arts Trust, which is an unincorporated trust, constituted under a trust deed dated 19 August 1957 and is a registered charity, number 526980. Lakeland Arts Trust was formed to save Abbot Hall, an important mid eighteenth-century Grade 1 Listed house on the banks of the River Kent in Kendal, and to convert it into an Art Gallery.

The charitable company is governed by its Memorandum and Articles of Association and has similar objects to Lakeland Arts Trust. As of 1 August 2013, the charitable company replaced the Trust as the operator of the various venues for use by the public and took over the redevelopment of Windermere Jetty. The funds, assets and liabilities of Lakeland Arts Trust were transferred to the charitable company. Lakeland Arts Trust continues to hold the Blackwell Endowment which is a permanent endowment, and the collections which are loaned to the charitable company.

Recruitment and appointment of trustees

The Trustee Succession Planning Committee anticipates the retirement of serving Trustees, plan their succession and to recruit new Chairs and Trustees into the organisation. The Succession Planning Committee has the delegated authority of the Board of Trustees to identify, select and recruit new Chairs or Trustees to the Board of Lakeland Arts. All appointments will require formal endorsement by the Board.

The Succession Planning Committee will: -

- Review the normal retirement dates of the Board Members
- Identify the skills likely to be required by Lakeland Arts Trust and seek candidates with those skills
- Candidates may be identified through any appropriate means including advertising, recommendations, recruitment websites, etc.
- Candidates must be considered in the light of the skills they will bring to the Board and Lakeland Arts' commitment to increase the diversity of the Board.

Candidates will be interviewed by the CEO, Chair of Trustees and one other member of the Succession Planning Committee. A recommendation will be made to the Succession Planning Committee who will decide whether to approve the candidate. The proposal will then be referred to the full board of Trustees for formal endorsement.

Lakeland Arts

Trustees' Report

Organisational structure

The directors of the charitable company are its trustees for the purposes of charity law. The Board of Trustees of up to fifteen members, but not less than six, meets regularly and administers the charitable company. The trustees are elected by the Board of Trustees at the Annual General Meeting in accordance with the Articles of Association. The trustees who have served during the year and since the year end are shown in the Charity Information page.

At their meetings, the trustees agree the broad strategy, policy and areas of activity for the charitable company, including consideration of financial policy, reserves and risk management policies and performance. Trustees also decide the level of pay for key management personnel taking into account appropriate benchmarks. A disclosure in relation to remuneration and expenses of key management personnel is included in the notes to the accounts. The Board of Trustees appoints Investment Managers, currently Sarasin & Partners LLP, who are responsible for implementing the overall investment policy.

Relationships with related parties

Lakeland Arts Trust

Lakeland Arts is the sole trustee of Lakeland Arts Trust which holds the collections and the Blackwell endowment. As such Lakeland Arts Trust is treated as a subsidiary in these accounts.

Lakeland Arts Enterprises Limited

Lakeland Arts Enterprises Limited is the wholly owned trading subsidiary of the charitable company. Together with Lakeland Arts Trust and Lakeland Arts these three entities comprise Lakeland Arts Group.

Lakeland Arts Support Trust

Lakeland Arts Support Trust is a charity formed in 1998 for the purpose of generating income to provide financial support for the charitable company at its Abbot Hall site in Kendal. It has a separate board of trustees and so does not form part of the group.

South Lakeland District Council

South Lakeland District Council owns the Abbot Hall building - SLDC also makes an annual grant towards the charitable company's operational costs and programme of activities.

Financial instruments

Objectives and policies

The group's activities expose it to a number of financial risks which may arise from changes in prices, visitor spending behavior, overhead costs, investments but also from unforeseeable events such as the Covid-19 pandemic. Management of these financial risks and liquidity risks is the central responsibility of the Finance Committee. The Trustees are informed of the current risk situation at regular intervals.

Credit risk

The group's principal financial assets are bank balances and cash, trade and other receivables, and investments. The group has low credit risk as receivables are primarily grants due to be received. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Lakeland Arts

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Lakeland Arts for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

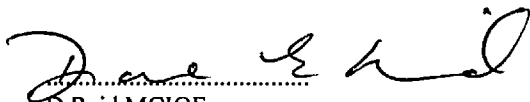
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed 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 business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 9 December 2022 and signed on its behalf by:


D Reid MCIOF
Trustee

Lakeland Arts

Independent Auditor's Report to the Members of Lakeland Arts

Opinion

We have audited the financial statements of Lakeland Arts (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2022 and of its 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.

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 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 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 group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material 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.

Lakeland Arts

Independent Auditor's Report to the Members of Lakeland Arts

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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 21), the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Lakeland Arts

Independent Auditor's Report to the Members of Lakeland Arts

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our experience and from discussions with management. We reviewed any related correspondence and records of trustee meetings to assess compliance with laws and regulations and discussed the current position with management. We ensured the audit team were alert for any indications of non-compliance throughout the audit work.

We reviewed material journals processed in the charitable company's accounting software.

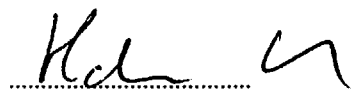
We assessed the charity's policies and procedures on fraud risks. No instances of actual, suspected or alleged fraud were identified by us or the charity in the year.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

This report is made solely to the charitable parent company's trustees, 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 group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Helen Holmes BSc FCA (Senior Statutory Auditor)
For and on behalf of Stables Thompson & Briscoe, Statutory Auditor

Chartered Accountants & Statutory Auditor
Lowther House
Lowther Street
Kendal
LA9 4DX

9 December 2022

Lakeland Arts

Consolidated Statement of Financial Activities for the Year Ended 31 March 2022 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £
Income and Endowments from:					
Donations and legacies	3	1,418,653	130,114	-	1,548,767
Charitable activities	4	454,585	-	-	454,585
Other trading activities	5	628,046	-	-	628,046
Investment income	6	4,636	17,405	-	22,041
Other income	7	89,867	-	-	89,867
Total income		<u>2,595,787</u>	<u>147,519</u>	<u>-</u>	<u>2,743,306</u>
Expenditure on:					
Raising funds	8	(947,495)	-	-	(947,495)
Charitable activities	9	<u>(1,689,065)</u>	<u>(1,198,597)</u>	<u>-</u>	<u>(2,887,662)</u>
Total expenditure		(2,636,560)	(1,198,597)	-	(3,835,157)
Gains/losses on investment assets		<u>6,080</u>	<u>-</u>	<u>-</u>	<u>6,080</u>
Net expenditure		(34,693)	(1,051,078)	-	(1,085,771)
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes		<u>94,000</u>	<u>-</u>	<u>-</u>	<u>94,000</u>
Net movement in funds		59,307	(1,051,078)	-	(991,771)
Reconciliation of funds					
Total funds brought forward		<u>(80,688)</u>	<u>17,363,666</u>	<u>585,000</u>	<u>17,867,978</u>
Total funds carried forward	25	<u>(21,381)</u>	<u>16,312,588</u>	<u>585,000</u>	<u>16,876,207</u>

The notes on pages 30 to 67 form an integral part of these financial statements.

Lakeland Arts

Consolidated Statement of Financial Activities for the Year Ended 31 March 2022 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £
Income and Endowments from:					
Donations and legacies	3	1,868,312	879,345	-	2,747,657
Charitable activities	4	310,051	-	-	310,051
Other trading activities	5	163,773	-	-	163,773
Investment income	6	6,531	20,171	-	26,702
Other income	7	33,794	-	-	33,794
Total income		2,382,461	899,516	-	3,281,977
Expenditure on:					
Raising funds	8	(643,974)	-	-	(643,974)
Charitable activities	9	(1,258,734)	(321,557)	-	(1,580,291)
Total expenditure		(1,902,708)	(321,557)	-	(2,224,265)
Gains/losses on investment assets		(57,555)	-	101,155	43,600
Net income		422,198	577,959	101,155	1,101,312
Transfers between funds		61,789	39,366	(101,155)	-
Other recognised gains and losses					
Gains/losses on revaluation of fixed assets		24,000	(1,177,493)	-	(1,153,493)
Actuarial gains on defined benefit pension schemes		56,000	-	-	56,000
Net movement in funds		563,987	(560,168)	-	3,819
Reconciliation of funds					
Total funds brought forward		(644,676)	17,923,835	585,000	17,864,159
Total funds carried forward	25	(80,689)	17,363,667	585,000	17,867,978

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 is shown in note 25.

The notes on pages 30 to 67 form an integral part of these financial statements.

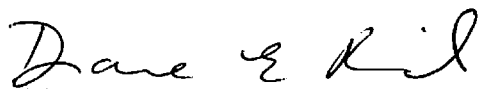
Lakeland Arts

(Registration number: 8162578)

Consolidated Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	16	17,375,984	18,227,033
Investments		<u>762,727</u>	<u>907,838</u>
		<u>18,138,711</u>	<u>19,134,871</u>
Current assets			
Stocks	19	35,773	33,397
Debtors	20	128,681	121,199
Cash at bank and in hand	21	<u>420,890</u>	<u>631,652</u>
		585,344	786,248
Creditors: Amounts falling due within one year	22	<u>(263,660)</u>	<u>(376,309)</u>
Net current assets		<u>321,684</u>	<u>409,939</u>
Total assets less current liabilities		18,460,395	19,544,810
Creditors: Amounts falling due after more than one year	23	<u>(1,244,188)</u>	<u>(1,240,833)</u>
Net assets excluding pension liability		17,216,207	18,303,977
Pension scheme liability	24	<u>(340,000)</u>	<u>(435,999)</u>
Net assets including pension liability		<u>16,876,207</u>	<u>17,867,978</u>
Funds of the group:			
Endowment funds		585,000	585,000
Restricted income funds			
Restricted funds	25	16,312,589	17,363,667
Unrestricted income funds			
Unrestricted funds		<u>(21,382)</u>	<u>(80,689)</u>
Total funds	25	<u>16,876,207</u>	<u>17,867,978</u>

The financial statements on pages 25 to 67 were approved by the trustees, and authorised for issue on 9 December 2022 and signed on their behalf by:



D Reid MCIOF
Trustee

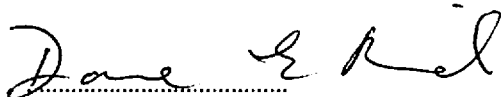
The notes on pages 30 to 67 form an integral part of these financial statements.

Lakeland Arts

(Registration number: 8162578)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £ (As restated)
Fixed assets			
Tangible assets	16	17,375,984	18,227,033
Investments		<u>126,002</u>	<u>286,002</u>
		<u>17,501,986</u>	<u>18,513,035</u>
Current assets			
Debtors	20	337,048	393,969
Cash at bank and in hand	21	<u>413,690</u>	<u>624,943</u>
		750,738	1,018,912
Creditors: Amounts falling due within one year	22	<u>(233,502)</u>	<u>(365,963)</u>
Net current assets		<u>517,236</u>	<u>652,949</u>
Total assets less current liabilities		18,019,222	19,165,984
Creditors: Amounts falling due after more than one year	23	<u>(1,244,188)</u>	<u>(1,240,833)</u>
Net assets including pension liability		<u>16,775,034</u>	<u>17,925,151</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	25	16,305,983	17,363,666
Unrestricted income funds			
Unrestricted funds		<u>469,051</u>	<u>561,485</u>
Total funds	25	<u>16,775,034</u>	<u>17,925,151</u>

The financial statements on pages 25 to 67 were approved by the trustees, and authorised for issue on 9 December 2022 and signed on their behalf by:


D Reid MCIOF
Trustee

The notes on pages 30 to 67 form an integral part of these financial statements.

Lakeland Arts

Consolidated Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (expenditure)/income		(991,771)	3,819
Adjustments to cash flows from non-cash items			
Depreciation	16	851,048	43,167
Investment income	6	(22,041)	(26,702)
Revaluation of investments		(6,080)	(43,600)
Revaluation of fixed assets held for the group's own use		<u>-</u>	<u>1,153,493</u>
		(168,844)	1,130,177
Working capital adjustments			
(Increase)/decrease in stocks	19	(2,376)	3,053
(Increase)/decrease in debtors	20	(7,482)	116,726
Decrease in creditors	22	(108,945)	(412,208)
Decrease (increase) in retirement benefit obligation net of actuarial changes	24	<u>(95,998)</u>	<u>(56,002)</u>
Net cash flows from operating activities		<u>(383,645)</u>	<u>781,746</u>
Cash flows from investing activities			
Interest receivable and similar income	6	4,636	6,531
Purchase of tangible fixed assets	16	-	(137,424)
Purchase of investments		(8,809)	-
Sale of investments		160,000	149,803
Income from dividends	6	<u>17,405</u>	<u>20,171</u>
Net cash flows from investing activities		173,232	39,081
Cash flows from financing activities			
Repayment of loans and borrowings	22	<u>(349)</u>	<u>(250,000)</u>
Net (decrease)/increase in cash and cash equivalents		(210,762)	570,827
Cash and cash equivalents at 1 April		<u>631,652</u>	<u>60,825</u>
Cash and cash equivalents at 31 March		<u>420,890</u>	<u>631,652</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash		(210,762)	570,827
Cash outflow from repayment of loans		<u>349</u>	<u>250,000</u>
Change in net (debt)/funds resulting from cash flows		<u>(210,413)</u>	<u>820,827</u>
Net debt at 1 April 2021		<u>(618,348)</u>	<u>(1,439,175)</u>
Net (debt)/funds at 31 March 2022		<u>(£828,761)</u>	<u>(£618,348)</u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 30 to 67 form an integral part of these financial statements.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation. The address of the registered office is given on the charity information page of these financial statements. The nature of the charity's operations and principal activities are as an arts and heritage organisation caring for and running Abbot Hall Art Gallery and The Museum of Lakeland Life & Industry in Kendal, Blackwell, The Arts & Crafts House, and the new Windermere Jetty, Museum of Boats, Steam and Stories in Bowness-on-Windermere.

The principal place of business is:
Abbot Hall
Kendal
LA9 5AL

These financial statements were authorised for issue by the trustees on 9 December 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Lakeland Arts 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 notes.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2021. The subsidiaries consolidated for this purpose were Lakeland Arts Enterprises Ltd and Lakeland Arts Trust.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a deficit after all gains and losses for the financial year of £28,566 (2020 - 173,272 surplus).

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

In the year to 31st March 22 Lakeland Arts continued to stabilise its financial situation reducing the carried forward unrestricted funds deficit from (£80,688) to (£21,381). In the year to 31.03.23 Lakeland Arts will carry out an organisational restructure and other cost saving measures to safeguard the organisation going forwards. Research and data indicate that recovery from the Covid global pandemic has not progressed as swiftly as anticipated and the economic situation has been exacerbated by the war in Ukraine and the cost-of-living crisis. This is having an impact across the entire economy and all sectors – Lakeland Arts is no exception. Therefore visitors are not predicted to return to pre-covid levels until 2025. To mitigate this risk we are restructuring the organisation to focus on driving and diversifying our earned income, to reduce the impact of lower visitor figures on our organisation. This combined with a forensic review of our costs, will enable us to continue as a going concern.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

Income and endowments

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 the income receivable can be measured reliably.

Donations and legacies

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- i. when donors specify that donations and grants given to the charitable company must be used in future accounting periods the income is deferred until these periods; or
- ii. when donors impose conditions which have to be fulfilled before the charitable company becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Gifts in kind

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

Donated heritage assets are recognised in the Heritage Asset note but are not otherwise recognised in the Statement of Financial Activities (SOFA) in line with the policy on Heritage Assets.

Other trading activities

Income from commercial trading activities, including retail and catering and commission on sale or return items through retail outlets. This income is primarily the income of the trading subsidiary Lakeland Arts Enterprises Ltd and is recorded on a receivable basis.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Charitable activities

Income from Charitable trading activities through Abbot Hall Art Gallery, Blackwell the Arts & Crafts House, Museum of Lakeland Life and Industry and the Windermere Jetty (including admission, learning and Friends of Lakeland Arts memberships), is included in incoming resources in the period for which it is receivable.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably.

Expenditure is included in the Consolidated Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. All costs are defined in 4 specific categories:

- Raising funds
- Fundraising trading
- Charitable activities
- Other

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management and professional fees. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £5,000.00 or more are initially recorded at cost including any incidental expenses of acquisition (with the exception of heritage assets), less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Lakeland Arts owns the former Kendal Grammar School (constructed 1588) which is part of the Abbot Hall site. The building is currently divided into 2 parts; no 9 Church Walk is a residential property acquired in 2011 and held as part of the investment portfolio and no 11 Church Walk, also residential which has been in the ownership of Lakeland Arts for many years and is currently used as storage. The latter portion was last valued in 2021 and included in the accounts as a freehold property. The investment property is stated in the accounts at market value. Revaluation will take place every 5 years.

The Windermere Steamboat Museum, designed by Carmody Groarke Architects, opened in March 2019 and houses a collection of steamboats and other vessels known as the Steamboat Museum Collection.

Heritage assets

Lakeland Arts' principal objects include establishment and maintenance of public art galleries and museums for the benefit of the public. In this connection the charitable company has a long leasehold interest, at a peppercorn rent, in listed buildings at Abbot Hall, of which Abbot Hall itself is Grade 1 Listed. The charitable company also has a freehold interest in the Grade 1 Listed Arts & Crafts House at Blackwell – a property of unique historic importance near Bowness-on-Windermere.

These historic properties are inalienable heritage assets in the sense that it is a fundamental part of the charitable company's purpose to hold and preserve them permanently, and Lakeland Arts is effectively prohibited from disposing of them for any other purpose, not only by the terms of its governing documents, but also by external considerations including the terms of leases, conditions applied by funding bodies and planning consents. These properties are not assets in the normal sense of the word because under the irrevocable terms of their present use they have no market value. To provide a market value based on an impermissible change of use would be misleading. The Trustees consider that the buildings are heritage assets and the charitable company does not, therefore, represent them on the Balance Sheet.

Further information on the Lakeland Arts' heritage assets is given in the notes, in accordance with the terms of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) '18. Accounting for heritage assets'.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	Held at valuation, revalued every five years
Leasehold land and buildings	straight line over the term of the lease

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

Plant, equipment and fittings

straight line over 4 years

Research and development

Research and development expenditure is written off as incurred.

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock consists of purchased goods for resale and is included at the lower of cost or net realisable value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the group.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Restricted endowment funds – these are non-permanent endowment funds, the income from which contributes to the operating expenses of Lakeland Arts. The assets of the funds are represented by investments.

Pensions and other post retirement obligations

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

The group also operates a defined benefit pension scheme for one employee. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Donations and legacies;				
Donations to major appeals	-	-	-	285,247
Donations from companies, trusts and similar proceeds	1,324,243	130,114	1,454,357	2,375,876
Legacies	6,812	-	6,812	-
Gift aid reclaimed	15,563	-	15,563	15,938
Membership income (including Friends, patrons and benefactors)	72,035	-	72,035	70,596
	<u>1,418,653</u>	<u>130,114</u>	<u>1,548,767</u>	<u>2,747,657</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

	Restricted funds	2022	2021
	£	£	£
Windermere Jetty Capital Project			
NCRF Funding	-	-	285,247
Sub total	-	-	285,247

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

	Unrestricted funds	Restricted funds	2022	2021
Other grants and donations				
Core Grants	£	£	£	£
Arts Council England NPO	451,847	-	451,847	451,680
Lakeland Arts Support Trust	48,000	-	48,000	56,000
South Lakeland District Council	79,000	-	79,000	25,000
Cumbria County Council	10,000	-	10,000	10,000
Kendal Town Council	3,000	-	3,000	3,000
Covid-19 and Business Continuity Grants				
CJRS government grants and BBL interest support	33,537	-	33,537	379,332
Arts Council Emergency Response Fund	-	-	-	358,010
Wolfson Foundation	-	-	-	250,000
DCMS Cultural Recovery Fund Round 1 & 2	674,409	-	674,409	219,067
National Lottery Heritage Fund Emergency Fund	-	-	-	250,000
SLDC Omicron	18,000	-	18,000	-
STOS Funding	-	10,000	10,000	-
Garfield Weston Foundation	-	-	-	200,000
Programme/Project Grants				
Sir John Fisher Foundation	-	-	-	25,000
John Murray Charitable Trust	-	50,000	50,000	-
The Granada Foundation	-	-	-	6,000
Clore Duffield Foundation, Cultural Learning Programme	-	-	-	20,000
Art Fund	-	-	-	44,895
Association for Industrial Archeology	-	9,645	9,645	-
The Headley Trust	-	15,000	15,000	15,000
Lindeth Charitable Trust	-	5,000	5,000	-
Areti Charitable Trust	-	2,991	2,991	-
The John Ellerman Foundation	-	31,667	31,667	31,667
Great Britain Sasakawa Foundation Grant	-	1,411	1,411	-
The Pilgrim Trust	-	-	-	8,341
BESTT	-	-	-	12,728
Other donations and small grants	6,450	4,400	10,850	10,156
	<u>1,324,243</u>	<u>130,114</u>	<u>1,454,357</u>	<u>2,375,876</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

4 Income from charitable activities

	Unrestricted funds General £	Total 2022 £
Visitor income	389,271	389,271
Learning income	4,341	4,341
Museums and Galleries tax relief	60,973	60,973
	<u>454,585</u>	<u>454,585</u>
	Unrestricted funds General £	Total 2021 £
Visitor income	94,244	94,244
Learning income	110	110
Museums and Galleries tax relief	215,697	215,697
	<u>310,051</u>	<u>310,051</u>

5 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading income; Sales of goods and services	626,959	626,959
Events income; Other events income	1,087	1,087
Total for 2022	<u>628,046</u>	<u>628,046</u>
Total for 2021	<u>163,773</u>	<u>163,773</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

6 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Income from dividends;			
Dividends receivable from other listed investments	-	17,405	17,405
Interest receivable and similar income;			
Interest receivable on bank deposits	864	-	864
Income from rents	3,772	-	3,772
	<u>4,636</u>	<u>17,405</u>	<u>22,041</u>
	Unrestricted funds General £	Restricted funds £	Total 2021 £
Income from dividends;			
Dividends receivable from other listed investments	-	20,171	20,171
Interest receivable and similar income;			
Interest receivable on bank deposits	657	-	657
Other income from fixed asset investments	654	-	654
Income from rents	5,220	-	5,220
	<u>6,531</u>	<u>20,171</u>	<u>26,702</u>

7 Other income

	Unrestricted General £	Total 2022 £	Total 2021 £
Other income	11,105	11,105	30
CGS VAT Adjustment	53,689	53,689	33,764
Offgem Renewal Heat Incentive	25,073	25,073	-
	<u>89,867</u>	<u>89,867</u>	<u>33,794</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

8 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Total 2022 £
Other direct costs of generating voluntary income		84,888	84,888
Allocated support costs	10	42,283	42,283
		<u>127,171</u>	<u>127,171</u>
	Note	Unrestricted funds General £	Total 2021 £
Other direct costs of generating voluntary income		57,830	57,830
Allocated support costs	10	24,165	24,165
		<u>81,995</u>	<u>81,995</u>

b) Costs of trading activities

	Note	Unrestricted funds General £	Total 2022 £
Trading subsidiary costs		244,363	244,363
Marketing and publicity		82,477	82,477
Wages and salaries		376,385	376,385
Allocated support costs	10	117,099	117,099
		<u>820,324</u>	<u>820,324</u>
	Note	Unrestricted funds General £	Total 2021 £
Trading subsidiary costs		49,248	49,248
Marketing and publicity		57,533	57,533
Wages and salaries		359,324	359,324
Allocated support costs	10	94,709	94,709
		<u>560,814</u>	<u>560,814</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

d) Total expenditure on raising funds

	Direct costs	Allocated	Total
	£	support costs	2022
		£	£
Costs of generating donations and legacies	84,888	42,283	127,171
Costs of trading activities	703,225	117,099	820,324
	<u>788,113</u>	<u>159,382</u>	<u>947,495</u>
	Direct costs	Allocated	Total
	£	support costs	2021
		£	£
Costs of generating donations and legacies	57,830	24,165	81,995
Costs of trading activities	466,105	94,709	560,814
Investment management costs	1,165	-	1,165
	<u>525,100</u>	<u>118,874</u>	<u>643,974</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

9 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	2022 £
Exhibition programmes	236,203	64,633	300,836
Collections and conservation of exhibits	346,536	65,058	411,594
Learning	146,445	62,753	209,198
Historic buildings and premises costs	606,424	59,181	665,605
Visitor operations	252,414	70,583	322,997
Abbot Hall Project	702,347	-	702,347
Windermere Jetty Project	3,838	-	3,838
National Lottery Heritage Emergency Fund	3,337	55,735	59,072
Art Fund	20,586	-	20,586
Garfield Weston Foundation	156,668	-	156,668
Clore Duffield	1,174	-	1,174
	<u>2,475,972</u>	<u>377,943</u>	<u>2,853,915</u>
	Activity undertaken directly £	Activity support costs £	2021 £
Exhibition programmes	134,964	52,065	187,029
Collections and conservation of exhibits	180,581	51,420	232,001
Learning	124,133	50,427	174,560
Historic buildings and premises costs	337,358	45,680	383,038
Visitor operations	243,861	55,702	299,563
Abbot Hall Project	1,116	204	1,320
Windermere Jetty Project	4,535	830	5,365
NLHF Resilience Project	8,917	1,630	10,547
National Lottery Heritage Emergency Fund	194,277	39,749	234,026
Art Fund	11,557	2,113	13,670
Garfield Weston Foundation	6,323	1,156	7,479
	<u>1,247,622</u>	<u>300,976</u>	<u>1,548,598</u>

Included in the costs of the Abbot Hall Project of £702,347 were costs of £635,527 previously capitalised as an asset in the course of construction (please see note 16) which have now been written off to expenses following changes to the project.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

	Unrestricted funds Designated £	Restricted funds £	Total 2022 £
Exhibition programmes	299,425	1,411	300,836
Collections and conservation of exhibits	320,922	90,672	411,594
Learning	209,198	-	209,198
Historic buildings and premises costs	499,427	166,178	665,605
Visitor operations	322,997	-	322,997
Windermere Jetty Project	-	3,838	3,838
Abbot Hall Project	-	702,347	702,347
National Lottery Heritage Emergency Fund	3,349	55,723	59,072
Art Fund	-	20,586	20,586
Garfield Weston Foundation	-	156,668	156,668
Clore Duffield	-	1,174	1,174
	<u>1,655,318</u>	<u>1,198,597</u>	<u>2,853,915</u>
	Unrestricted funds General £	Restricted funds £	Total 2021 £
Exhibition programmes	185,104	1,925	187,029
Collections and conservation of exhibits	161,265	70,736	232,001
Learning	172,560	2,000	174,560
Historic buildings and premises costs	362,867	20,171	383,038
Visitor operations	299,563	-	299,563
Windermere Jetty Project	830	4,535	5,365
Abbot Hall Project	204	1,116	1,320
NLHF Resilience Project	1,630	8,917	10,547
National Lottery Heritage Emergency Fund	39,749	194,277	234,026
Art Fund	2,113	11,557	13,670
Garfield Weston Foundation	1,156	6,323	7,479
	<u>1,227,041</u>	<u>321,557</u>	<u>1,548,598</u>

In addition to the expenditure analysed above, there are also governance costs of £33,746 (2021 - £31,693) which relate directly to charitable activities. See note 10 for further details.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

10 Analysis of governance and support costs

Governance costs

	Unrestricted General £	Total 2022 £	Total 2021 £
Staff costs			
Pension costs	11,600	11,600	13,300
Audit fees			
Audit and other fees paid to auditors	16,423	16,423	17,321
Trustees remuneration and expenses	1,412	1,412	-
Legal fees	3,420	3,420	-
Loan interest	891	891	1,072
	<u>33,746</u>	<u>33,746</u>	<u>31,693</u>

11 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2022 £	2021 £
Audit fees	15,163	15,302
Depreciation of fixed assets	<u>211,154</u>	<u>43,168</u>

12 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any other benefits from the charity during the year.

Donations made by the trustees without any conditions attached totalled £Nil for the year (2021 - £1,171).

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

13 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	1,324,965	1,159,463
Social security costs	90,759	83,219
Pension costs	34,378	35,044
	<u>1,450,102</u>	<u>1,277,726</u>

The monthly average number of persons (including senior management / leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2022 No	2021 No
Management, curatorial, marketing and learning	23	20
Administration	6	6
Desk/shop staff	4	5
Coffee House & Tea Room	12	11
Other	2	2
Heritage boat team	3	3
Boat conservation team	5	6
	<u>55</u>	<u>53</u>

The average number of employees in the year as defined by s382/383 of the Companies Act 2006 was 79 (2021 - 70).

The number of employees whose emoluments fell within the following bands was:

	2022 No	2021 No
£80,001 - £90,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the group were £377,327 (2021 - £331,936).

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

14 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>15,163</u>	<u>15,302</u>
Other fees to auditors		
The auditing of accounts of any associate of the charity	1,260	724
Audit-related assurance services	<u>-</u>	<u>1,295</u>
	<u>1,260</u>	<u>2,019</u>

The audit fees include provision of accountancy services for the preparation of group accounts.

15 Taxation

The group is a registered charity and is therefore exempt from taxation.

16 Tangible fixed assets

Group

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Asset in the course of construction £	Total £
Cost/Valuation					
At 1 April 2021	<u>17,448,000</u>	<u>482,237</u>	<u>34,483</u>	<u>635,527</u>	<u>18,600,247</u>
At 31 March 2022	<u>17,448,000</u>	<u>482,237</u>	<u>34,483</u>	<u>635,527</u>	<u>18,600,247</u>
Depreciation					
At 1 April 2021	-	358,265	14,950	-	373,215
Charge for the year	<u>155,378</u>	<u>55,776</u>	<u>4,367</u>	<u>635,527</u>	<u>851,048</u>
At 31 March 2022	<u>155,378</u>	<u>414,041</u>	<u>19,317</u>	<u>635,527</u>	<u>1,224,263</u>
Net book value					
At 31 March 2022	<u>17,292,622</u>	<u>68,196</u>	<u>15,166</u>	<u>-</u>	<u>17,375,984</u>
At 31 March 2021	<u>17,448,000</u>	<u>123,972</u>	<u>19,533</u>	<u>635,527</u>	<u>18,227,032</u>

Included within the net book value of land and buildings above is £214,000 (2021 - £214,000) in respect of freehold land and buildings and £17,078,622 (2021 - £17,234,000) in respect of leaseholds.

The asset in the course of construction related to the costs of the original Abbot Hall project which changed in the year and so these costs were written off to charitable expenses (please see note 9).

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

Revaluation

The fair value of the group's Land and buildings was revalued on 19 November 2021 by Edwin Thompson, Chartered Surveyors, an independent valuer.

The property was valued on an open market value basis.

Had this class of asset been measured on a historical cost basis, their carrying amount would have been £190,000 (2021 - £190,000).

The fair value of the group's Leasehold improvements was revalued on 24 November 2021 by Hyde Harrington, Chartered Surveyors, an independent valuer.

The property was valued on an Asset Valuation for the Existing Use. As properties of this nature are not generally traded in the market Depreciated Replacement Cost has been used to determine the Asset Value.

Had this class of asset been measured on a historical cost basis, their carrying amount would have been £18,759,705 (2021 - £18,759,705).

Charity

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Asset in the course of construction £	Total £
Cost/Valuation					
At 1 April 2021	17,448,000	482,237	34,483	635,527	18,600,247
At 31 March 2022	17,448,000	482,237	34,483	635,527	18,600,247
Depreciation					
At 1 April 2021	-	358,265	14,950	-	373,215
Charge for the year	155,378	55,776	4,367	635,527	851,048
At 31 March 2022	155,378	414,041	19,317	635,527	1,224,263
Net book value					
At 31 March 2022	17,292,622	68,196	15,166	-	17,375,984
At 31 March 2021	17,448,000	123,972	19,533	635,527	18,227,032

Included within the net book value of land and buildings above is £214,000 (2021 - £214,000) in respect of freehold land and buildings and £17,078,622 (2021 - £17,234,000) in respect of leaseholds.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

17 Heritage assets

Group

Heritage assets not recognised in the balance sheet

From 1 August 2013 the charitable company entered into a Loan and Management Agreement with the owner of the collections, Lakeland Arts Trust under which all responsibilities in relation to the collections including acquisition, disposal, preservation and management, transferred to Lakeland Arts.

Lakeland Arts maintains a full inventory of all the collections held. This includes location and movements in and out of works of art and museum objects which, from time to time, may be loaned to/from other museums and galleries.

Due to the requirements of our funders, the WJM Boat Collection was recognised in our accounts. For the purposes of consistency, in the accounts for the year to 31st March 21, Lakeland Arts has reverted to the previous treatment of Heritage Assets and no longer recognises the boat collection on the Balance Sheet. The value of the Boat Collection has been written off to recognise this change in treatment of these assets.

Summary of transactions

	2022 £	2021 £	2020 £	2019 £	2017 £
Purchases and additions					
Furniture	-	-	25,000	-	20,000
Textiles	-	-	-	-	1,062
Drawings	17,344	-	10	15,300	-
Maritime	10,000	-	-	-	-
Donations					
Ceramics	1,240	-	-	-	-
Costume	30	-	-	-	-
Drawings	5,430	-	1,260	-	100
Engravings	-	-	500	-	-
Ephemera	150	-	155	-	-
Industrial history	-	-	240	-	100
Paintings	14,000	214,000	-	40,000	1,260,000
Photographs	300	3,100	-	-	-
Sculpture	-	750,000	-	-	-
Social history	4,571	100	-	170	250
Maritime	35,015	16,000	100	45,200	-
Furniture	105,080	-	3,000	-	-
Horology	-	-	500	-	-
Total additions	193,160	983,200	30,765	100,670	1,281,512

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

Charity

Heritage assets not recognised in the balance sheet

The permanent collections are held by Lakeland Arts Trust.

Lakeland Arts Trust's Collection of Works of Art and Museum Exhibits

The principal areas of the collection are:

- Eighteenth century furniture, British landscape and portrait paintings, with a particularly strong group of works by George Romney;
- Eighteenth and nineteenth century watercolours, including an exceptional group by John Ruskin, four major works by JMW Turner and a number of other key works, many of which relate to the Lake District;
- Twentieth century and contemporary British art, with sculpture by figures such as Jean Arp, Barbara Hepworth and Elizabeth Frink, as well as work by many of the leading painters including Samuel Peploe, Ben and Winifred Nicholson, a strong group of St Ives work, Kurt Schwitters, Stanley Spencer, Graham Sutherland, John Piper, Ivon Hitchens, Frank Auerbach, Paula Rego, Bridget Riley and Sean Scully;
- Strong holding of prints by such names as Henry Moore, David Hockney and Lucian Freud;
- Material relating to the social and industrial history of the Lake District and Kendal. This includes nineteenth and twentieth century photographs, Lake District crafts, rural trades and industries and domestic and shop interiors. There is important material relating to the author Arthur Ransome, Annie Garnett's early twentieth century textiles made at the Spinnery in Bowness and arts and crafts furniture by Arthur Simpson of Kendal and other regional makers;
- Material relating to M.H. Baillie Scott including furniture, books and published designs, archive material relating to the history of Blackwell, Arts & Crafts furniture and a small number of objects by Arts & Crafts designers and/or makers shown principally at Blackwell The Arts and Crafts House;
- Small collection of studio ceramics;
- Over 40 boats and a large collection of smaller objects relating to boats and boating on Lake Windermere. The collection is acknowledged to be one of the most important collections of vessels generic to one location worldwide and to reflect important themes in technical, social and economic history. The Pattinson Collection, named after the founder of the Museum Mr G.H. Pattinson, was augmented and added to by the collection of the Windermere Nautical Trust and covers many aspects of boating on Windermere including wooden steam launches, motor boats, yachts and canoes. Eleven boats were transferred to the Lakeland Arts Trust through H.M. Government's Acceptance in Lieu Scheme in 2007.

Acquisitions

Potential acquisitions, which may be purchased or gifted, must meet the requirements laid out in the charitable company's Collections Development Policy (2017).

Disposals

By definition, the Lakeland Arts Trust has a long-term purpose and holds collections in trust for society in relation to its stated objectives. The Trustees therefore accept the principle that sound curatorial reasons for disposal must be established before consideration is given to the disposal of any items in Lakeland Arts collections. The disposal policy is detailed in Lakeland Arts' Collections Development Policy (2017).

Preservation and Management

Lakeland Arts Trust was first awarded MLA Accreditation status in 2009 and following the award Abbot Hall, Blackwell and the Lakeland Museum entered into a planned timetable of collections preservation, care and management. Accreditation is now operated by Arts Council England. Windermere Jetty Museum applied for 'Working Towards Accreditation' status (WTA) when it opened to the public in 2019.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

In 2010 some of the principal objects in the collection were valued by Sotheby's. The valuation was carried out specifically to inform a risk management exercise which resulted in a review of the insured values and risks for the collection. For the purpose of reinstatement the value of all of the charitable company's Heritage assets, including buildings and land is estimated as £62.7m.

18 Fixed asset investments

Group

	2022 £	2021 £
Investment properties	126,000	286,000
Other investments	636,727	621,838
	<u>762,727</u>	<u>907,838</u>

Investment properties

	Investment properties £
Cost or Valuation	
At 1 April 2021	286,000
Disposals	<u>(160,000)</u>
At 31 March 2022	126,000
Provision	
At 31 March 2022	<u>-</u>
Net book value	
At 31 March 2022	<u>126,000</u>
At 31 March 2021	<u>286,000</u>

The investment properties were valued in 2021 by Edwin Thompson, Chartered Surveyors, on an open market value basis.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 April 2021	621,838	621,838
Revaluation	6,080	6,080
Additions	8,809	8,809
At 31 March 2022	<u>636,727</u>	<u>636,727</u>
Net book value		
At 31 March 2022	<u>636,727</u>	<u>636,727</u>
At 31 March 2021	<u>621,838</u>	<u>621,838</u>

Charity

	2022 £	2021 £
Investment properties	126,000	286,000
Shares in group undertakings and participating interests	<u>2</u>	<u>2</u>
	<u>126,002</u>	<u>286,002</u>

Investment properties

	Investment properties £
Cost or Valuation	
At 1 April 2021	286,000
Disposals	<u>(160,000)</u>
At 31 March 2022	126,000
Provision	
At 31 March 2022	<u>-</u>
Net book value	
At 31 March 2022	<u>126,000</u>
At 31 March 2021	<u>286,000</u>

The investment properties were valued in 2021 by Edwin Thompson, Chartered Surveyors, on an open market value basis.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2021	2	2
At 31 March 2022	2	2
Net book value		
At 31 March 2022	2	2
At 31 March 2021	2	2

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2022	2021	
Subsidiary undertakings					
Lakeland Arts Enterprises Ltd	England	Ordinary	100%	100%	Operating tea rooms and gift shops

19 Stock

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Finished goods	35,773	33,397	-	-

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

20 Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	64,752	14,283	64,752	13,994
Due from group undertakings	(1)	-	210,439	273,363
Prepayments	38,288	24,079	38,288	24,079
Accrued income	7,792	47,189	7,792	47,189
VAT recoverable	17,080	20,652	15,007	20,348
Other debtors	770	14,996	770	14,996
	<u>128,681</u>	<u>121,199</u>	<u>337,048</u>	<u>393,969</u>

21 Cash and cash equivalents

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Cash on hand	5,047	3,255	5,047	3,255
Cash at bank	327,629	236,865	326,004	236,721
Short-term deposits	88,214	391,532	82,639	384,967
	<u>420,890</u>	<u>631,652</u>	<u>413,690</u>	<u>624,943</u>

22 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	5,463	9,167	5,463	9,167
Trade creditors	162,392	277,426	137,950	274,991
Other taxation and social security	25,722	23,320	25,722	23,320
Other creditors	13,467	26,266	13,076	25,115
Accruals	43,422	26,936	38,097	20,176
Deferred income	13,194	13,194	13,194	13,194
	<u>263,660</u>	<u>376,309</u>	<u>233,502</u>	<u>365,963</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

Deferred income

	2022 £	2021 £
Deferred income at 1 April 2021	13,194	13,194
Resources deferred in the period	13,194	13,194
Amounts released from previous periods	<u>(13,194)</u>	<u>(13,194)</u>
Deferred income at year end	<u>13,194</u>	<u>13,194</u>

	2022 £	2021 £
Deferred income at 1 April 2021	13,194	13,194
Resources deferred in the period	13,194	13,194
Amounts released from previous periods	<u>(13,194)</u>	<u>(13,194)</u>
Deferred income at year end	<u>13,194</u>	<u>13,194</u>

23 Creditors: amounts falling due after one year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Bank loans	44,188	40,833	44,188	40,833
Other loans	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>
	<u>1,244,188</u>	<u>1,240,833</u>	<u>1,244,188</u>	<u>1,240,833</u>

Group

Included in the creditors are the following amounts due after more than five years:

	2022 £	2021 £
After more than five years by instalments	16,767	-
After more than five years not by instalments	<u>1,200,000</u>	<u>1,200,000</u>
	<u>1,216,767</u>	<u>1,200,000</u>

Charity

Included in the creditors are the following amounts due after more than five years:

	2022 £	2021 £
After more than five years by instalments	16,767	-
After more than five years not by instalments	<u>1,200,000</u>	<u>1,200,000</u>
	<u>1,216,767</u>	<u>1,200,000</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

Borrowings due after five years

The HLF loan is secured on the Windermere Jetty Museum.

Lakeland Arts executive team has created a 5 year financial forecast, which is based upon best current information. The financial forecasts currently demonstrate that the HLF Loan will begin to be repaid after 25/26.

Bank loans and overdrafts after five years

The bank loan is a bounce back loan extended to 10 years. The interest rate is 2.5% with capital repayments over 9 years from 6 July 2022 of £455.25pm.

24 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £22,778 (2021 - £21,744).

Defined benefit pension schemes

Cumbria Local Government Pension Scheme

Lakeland Arts Trust is a member of the Cumbria Local Government Pension Scheme. This is a multi-employer scheme and the figures in these accounts are from the latest Mercer report on Lakeland Arts Trust's share of the scheme. This is the first year that the Mercers reports have been received since the scheme became live again following the introduction of a new employee to the scheme.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2022 £	2021 £
Fair value of scheme assets	1,495,000	1,422,000
Present value of defined benefit obligation	<u>(1,835,000)</u>	<u>(1,858,000)</u>
Defined benefit pension scheme deficit	<u><u>(340,000)</u></u>	<u><u>(436,000)</u></u>

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2022 £
Present value at start of year	(1,858,000)
Current service cost	(3,000)
Interest cost	(39,000)
Actuarial gains and losses	(13,000)
Benefits paid	<u>78,000</u>
Present value at end of year	<u><u>(1,835,000)</u></u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2022 £
Fair value at start of year	1,422,000
Interest income	29,000
Actuarial gains and losses	107,000
Employer contributions	15,000
Benefits paid	<u>(78,000)</u>
Fair value at end of year	<u>1,495,000</u>

Analysis of assets

The major categories of scheme assets are as follows:

	2022 £	2021 £
Cash and cash equivalents	42,000	58,000
Equity instruments	524,000	546,000
Government bonds	253,000	250,000
Property	136,000	114,000
Other	<u>540,000</u>	<u>454,000</u>
	<u>1,495,000</u>	<u>1,422,000</u>

Return on scheme assets

	2022 £	2021 £
Return on scheme assets	<u>135,000</u>	<u>237,000</u>

The pension scheme has not invested in any of the group's own financial instruments or in properties or other assets used by the group.

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2022 %	2021 %
Mortality rate	1.75	1.75
Discount rate	2.80	2.10
Future salary increases	5.00	4.20
Future pension increases	3.60	2.80
Inflation	<u>3.50</u>	<u>2.70</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

Post retirement mortality assumptions

	2022	2021
	Years	Years
Current UK pensioners at retirement age - male	23.00	23.00
Current UK pensioners at retirement age - female	25.00	25.00
Future UK pensioners at retirement age - male	24.00	24.00
Future UK pensioners at retirement age - female	<u>27.00</u>	<u>27.00</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

25 Funds

Group

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
Unrestricted funds						
<i>General</i>						
General funds	355,310	2,595,787	(2,636,560)	(1,999)	6,080	318,618
<i>Designated</i>						
Pension scheme deficit	<u>(435,999)</u>	<u>-</u>	<u>-</u>	<u>1,999</u>	<u>94,000</u>	<u>(340,000)</u>
Total unrestricted funds	<u>(80,689)</u>	<u>2,595,787</u>	<u>(2,636,560)</u>	<u>-</u>	<u>100,080</u>	<u>(21,382)</u>
Restricted funds						
Windermere Jetty Construction	17,234,000	-	(155,378)	-	-	17,078,622
Windermere Boat Collection	-	68,400	(49,360)	-	-	19,040
Windermere Jetty Capital Funds	280,712	-	(3,838)	-	-	276,874
Collections Fund	-	5,000	-	-	-	5,000
NLHF loan	(1,200,000)	-	-	-	-	(1,200,000)
Blackwell Endowment	-	17,405	(10,800)	-	-	6,605
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Association of Industrial Archeology	-	9,645	(9,645)	-	-	-
Social Enterprise Funding	-	10,000	-	-	-	10,000
Abbot Hall Redevelopment	744,470	1,000	(702,347)	-	-	43,123
Areti Charitable Trust	-	2,991	-	-	-	2,991
Great Britain Sasakawa Foundation	-	1,411	(1,411)	-	-	-
The John Ellerman Foundation	-	31,667	(31,667)	-	-	-
NHLF	55,723	-	(55,723)	-	-	-
Art Fund	33,338	-	(20,586)	-	-	12,752
Garfield Weston Foundation	194,261	-	(156,668)	-	-	37,593
Clore Duffield Foundation	<u>20,000</u>	<u>-</u>	<u>(1,174)</u>	<u>-</u>	<u>-</u>	<u>18,826</u>
Total restricted funds	17,363,667	147,519	(1,198,597)	-	-	16,312,589
<i>Permanent</i>						
Blackwell Endowment	<u>585,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>585,000</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
Total funds	17,867,978	2,743,306	(3,835,157)	-	100,080	16,876,207
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
Unrestricted funds						
<i>General</i>						
General funds	(152,676)	2,348,697	(1,855,644)	48,488	(33,555)	355,310
<i>Designated</i>						
Pension scheme deficit	(492,000)	-	(13,300)	13,301	56,000	(435,999)
Total unrestricted funds	(644,676)	2,348,697	(1,868,944)	61,789	22,445	(80,689)
Restricted funds						
Windermere Jetty Construction	18,375,314	-	-	36,179	(1,177,493)	17,234,000
Windermere Jetty Capital Funds	-	285,247	(4,535)	-	-	280,712
NLHF loan	(1,200,000)	-	-	-	-	(1,200,000)
Blackwell Endowment	-	20,171	(20,171)	-	-	-
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Abbot Hall Redevelopment	741,044	4,542	(1,116)	-	-	744,470
National Lottery Fund, Resilient Heritage	6,314	-	(8,917)	2,603	-	-
The Japan Society	-	750	(750)	-	-	-
Cumbria Community Foundation	-	1,175	(1,175)	-	-	-
The John Ellerman Foundation	-	31,667	(31,667)	-	-	-
The Pilgrim Trust	-	8,341	(8,341)	-	-	-
The Headley Trust	-	15,000	(15,000)	-	-	-
BESTT	-	12,728	(12,728)	-	-	-
NHLF	-	250,000	(194,277)	-	-	55,723
Art Fund	-	44,895	(11,557)	-	-	33,338
Garfield Weston Foundation	-	200,000	(6,323)	584	-	194,261
Granada Foundation	-	2,000	(2,000)	-	-	-
Clore Duffield Foundation	-	20,000	-	-	-	20,000
Kendal Town Council	-	3,000	(3,000)	-	-	-
Total restricted funds	17,923,835	899,516	(321,557)	39,366	(1,177,493)	17,363,667

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
<i>Permanent</i>						
Blackwell Endowment	<u>585,000</u>	<u>-</u>	<u>-</u>	<u>(101,155)</u>	<u>101,155</u>	<u>585,000</u>
Total funds	<u>17,864,159</u>	<u>3,248,213</u>	<u>(2,190,501)</u>	<u>-</u>	<u>(1,053,893)</u>	<u>17,867,978</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

Charity

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Unrestricted funds				
<i>General</i>				
General funds	561,485	2,029,951	(2,122,385)	469,051
Restricted funds				
Windermere Jetty Construction	17,234,000	-	(155,378)	17,078,622
Windermere Jetty Capital Funds	280,712	-	(3,838)	276,874
Collection funds	-	5,000	-	5,000
Windermere Boat Collection	-	68,400	(49,360)	19,040
HLF loan	(1,200,000)	-	-	(1,200,000)
Association of Industrial Archeology	-	9,645	(9,645)	-
Social Enterprise Funding	-	10,000	-	10,000
Areti Charitable Trust	-	2,991	-	2,991
Great Britain Sasakawa Foundation	-	1,411	(1,411)	-
Aurelius Trust (Blackwell Library)	1,163	-	-	1,163
Abbot Hall Redevelopment	744,470	1,000	(702,347)	43,123
The John Ellerman Foundation	-	31,667	(31,667)	-
NHLF	55,723	-	(55,723)	-
Art Fund	33,338	-	(20,586)	12,752
Garfield Weston Foundation	194,260	-	(156,668)	37,592
Clore Duffield Foundation	20,000	-	(1,174)	18,826
Total restricted funds	17,363,666	130,114	(1,187,797)	16,305,983
Total funds	17,925,151	2,160,065	(3,310,182)	16,775,034

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
Unrestricted funds						
<i>General</i>						
General funds	29,883	2,167,166	(1,556,348)	(39,366)	(39,850)	561,485
Restricted funds						
Windermere Jetty Construction	18,375,313	-	-	36,180	(1,177,493)	17,234,000
Windermere Jetty Capital Funds	-	285,247	(4,535)	-	-	280,712
HLF loan	(1,200,000)	-	-	-	-	(1,200,000)
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Abbot Hall Redevelopment	741,044	4,542	(1,116)	-	-	744,470
Heritage Lottery Fund Resilience	6,314	-	(8,917)	2,603	-	-
The Japan Society	-	750	(750)	-	-	-
Cumbria Community Foundation	-	1,175	(1,175)	-	-	-
The John Ellerman Foundation	-	31,667	(31,667)	-	-	-
The Pilgrim Trust - for conservation	-	8,341	(8,341)	-	-	-
The Headley Trust	-	15,000	(15,000)	-	-	-
BESTT	-	12,728	(12,728)	-	-	-
NHLF	-	250,000	(194,277)	-	-	55,723
Art Fund	-	44,895	(11,557)	-	-	33,338
Garfield Weston Foundation	-	200,000	(6,323)	583	-	194,260
Granada Foundation	-	2,000	(2,000)	-	-	-
Clore Duffield Foundation	-	20,000	-	-	-	20,000
Kendal Town Council	-	3,000	(3,000)	-	-	-
Total restricted funds	<u>17,923,834</u>	<u>879,345</u>	<u>(301,386)</u>	<u>39,366</u>	<u>(1,177,493)</u>	<u>17,363,666</u>
Total funds	<u>17,953,717</u>	<u>3,046,511</u>	<u>(1,857,734)</u>	<u>-</u>	<u>(1,217,343)</u>	<u>17,925,151</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

26 Analysis of net assets between funds

Group

	Unrestricted funds General £	Restricted funds £	Endowment funds Expendable £	Total funds at 31 March 2022 £
Tangible fixed assets	297,362	17,078,622	-	17,375,984
Fixed asset investments	177,727	-	585,000	762,727
Current assets	151,378	433,966	-	585,344
Current liabilities	(307,847)	-	-	(307,847)
Creditors over 1 year	-	(1,200,000)	-	(1,200,000)
Total net assets	<u>318,620</u>	<u>16,312,588</u>	<u>585,000</u>	<u>17,216,208</u>

	Unrestricted funds		Restricted funds	Endowment funds	Total funds at 31 March
	General	Designated	funds	Expendable	2021
	£	£	£	£	£
Tangible fixed assets	357,506	-	17,869,527	-	18,227,033
Fixed asset investments	322,838	-	-	585,000	907,838
Current assets	92,108	-	694,140	-	786,248
Current liabilities	(376,309)	-	-	-	(376,309)
Creditors over 1 year	(40,833)	-	(1,200,000)	-	(1,240,833)
Pension scheme liability	-	(435,999)	-	-	(435,999)
Total net assets	<u>355,310</u>	<u>(435,999)</u>	<u>17,363,667</u>	<u>585,000</u>	<u>17,867,978</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

Charity

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2022 £
Tangible fixed assets	297,362	17,078,622	17,375,984
Fixed asset investments	126,002	-	126,002
Current assets	323,377	427,361	750,738
Current liabilities	(277,690)	-	(277,690)
Creditors over 1 year	-	(1,200,000)	(1,200,000)
Total net assets	<u>469,051</u>	<u>16,305,983</u>	<u>16,775,034</u>
	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2021 £
Tangible fixed assets	357,506	17,869,527	18,227,033
Fixed asset investments	286,002	-	286,002
Current assets	324,773	694,139	1,018,912
Current liabilities	(365,963)	-	(365,963)
Creditors over 1 year	(40,833)	(1,200,000)	(1,240,833)
Total net assets	<u>561,485</u>	<u>17,363,666</u>	<u>17,925,151</u>

27 Analysis of net funds

Group

	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash at bank and in hand	631,652	-	631,652
Debt due within one year	290,833	(290,833)	-
Debt due after more than one year	(40,833)	40,833	-
Net debt	<u>881,652</u>	<u>(250,000)</u>	<u>631,652</u>
	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	60,825	550,827	611,652
Debt due within one year	-	290,833	290,833
Debt due after more than one year	-	(40,833)	(40,833)
Net debt	<u>60,825</u>	<u>800,827</u>	<u>861,652</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2022

28 Related party transactions

Group

There were no related party transactions in the year.

Charity

There were no related party transactions in the year.

Accounts

Company registration number: 8162578

Charity registration number: 1153001

Lakeland Arts

(A company limited by guarantee)

Annual Report and Financial Statements

for the Lakeland Arts Group

for the Year Ended 31 March 2021

**Stables Thompson & Briscoe
Chartered Accountants & Statutory Auditor
Lowther House
Lowther Street
Kendal
LA9 4DX**

Lakeland Arts

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Lakeland Arts

Reference and Administrative Details

Trustees	M Benjamin C W N Crewdson OBE JP S A Crewe K M Howarth J C Hudson FREng E Kentley J Mottram PhD D Reid MCIOF B Riley G F Rycroft Lady E Scott N W R Thompson
Senior Leadership Team	R Harris, Chief Executive E Moss, Chief Operating Officer C Gilbert, Head of Development C Kennedy, Financial Controller K Offord, Head of Curatorial I Read, Head of Participation and Learning C Robinson, Business Development Manager
Principal Office	Abbot Hall Kendal LA9 5AL The charity is incorporated in England.
Company Registration Number	8162578
Charity Registration Number	1153001
Solicitors	Simpson Millar (to June 2020) 5/7 Skipton Street Morecambe LA4 4AW
Bankers	Barclays Bank Plc 9 Highgate Kendal LA9 4DF
Auditor	Stables Thompson & Briscoe Chartered Accountants & Statutory Auditor Lowther House Lowther Street Kendal LA9 4DX

Lakeland Arts

Strategic Report for the Year Ended 31 March 2021

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2021, in compliance with s414C of the Companies Act 2006.

ACHIEVEMENTS AND PERFORMANCE

Lakeland Arts and the Covid-19 Pandemic

Impact

In a normal year, over 50% of unrestricted funding comes from admission charges and trading. With reduced trading income and operating with reduced visitor and income targets in line with our own and national research, Lakeland Arts' estimated loss of earned income in 2020-21 due to Covid-19 is £1.175m (Admissions £472K, Café £386K, Retail £201K, Boat Trips £104K, Learning £12K).

We closed Windermere Jetty Museum and Blackwell on 19 March 2020 due to government Covid-19 instructions (Lockdown 1). Since lockdown 1 we have closed and reopened our museums repeatedly. We opened Windermere Jetty café on 17 July 2020, Windermere Jetty Museum on 24 July and Blackwell on 11 October 2020. We closed both museums again on 5 November 2020 (Lockdown2). We reopened Blackwell on 4 December 2020 and Windermere Jetty Museum on 12 December. We closed Windermere Jetty Museum again on 16 December, as tier restrictions were introduced in the North, South-East and London, which reduced the number of visitors to Cumbria. We closed Blackwell on 24 December 2020. From 5 January 2021 we were required to close due to government Covid-19 instructions (Lockdown 3),

Measures taken to raise funds, reduce costs & deliver charitable mission:

- Raised £1.9 million since April 2020 from statutory, Lottery, charitable and philanthropic sources to address Covid-19 loss of trading income.
- Taken measures to sustain support from members including online content, café discount.
- During Lockdown1 furloughed over 80% of staff, no salary top-up. Making use of flexible furlough.
- Skeleton staff who worked throughout Lockdown1 took salary sacrifice, reducing hours and pay by 20-40% 1May - 30Sept.
- Flexed staff roles to support business needs, e.g. boat conservation team manufactured Covid-secure equipment, (reception screens, external furniture to support extended outdoor offer)
- Released funds from unrestricted endowments to meet financial obligations.
- Granted business rate relief.
- Secured Coronavirus Bounce Back Loan.
- Cost cutting measures across each department.
- Participated in VAT deferral scheme
- Windermere Jetty Museum and Blackwell hold Visit England's Covid-19 We're Good to Go accreditation.
- Participated in Eat Out to Help Out
- Benefited from reduction of VAT on hospitality income from 20% to 5%
- Agreed a 3-month payment holiday for our PAYE liabilities-now been fully paid.
- Introduced online retail to create new income stream that isn't dependent on museums being open.

Lakeland Arts has been successful in securing a grant from the Garfield Weston Foundation's Weston Culture Fund which has given us the capacity to trial physical, digital and programme adaptations to Windermere Jetty Museum. Based on audience research and our experiences to date in the Covid-19 era, the interventions will contribute to the Museum's immediate and longer-term sustainability by developing audiences and/or generating income. This research and work will be developed during the financial year 21-22.

Lakeland Arts

Strategic Report for the Year Ended 31 March 2021

In addition to securing £1.9 million in emergency funding and other grants, we've refocused the organisation to become more efficient and enterprising, developed new income streams and adapted to our audiences' needs in the community and at our museums. We have taken opportunities for engagement out to communities rather than expecting them to come to our sites and have maximised the opportunities our sites can provide in the pandemic era, by for example, increasing our outdoor seating at Windermere Jetty Museum's café which has resulted in improved income generation.

PROGRAMME

We made changes to our planned 2020-21 exhibition, participation and boat conservation programme due to Covid-19.

Blackwell, The Arts & Crafts House

We postponed the exhibition, *House of the Setting Sun*, which had been due to open in May 2020 to 21-22.

Instead from October - December 2020 we showed a Collection Display featuring new acquisition through the Acceptance in Lieu scheme, In the Golden Mists of Autumn by artist John Atkinson Grimshaw (1836 - 1893), alongside works by Ruskin. This acquisition has enriched our narrative, particularly as we were able to display it alongside works by the art critic, historian, philanthropist and artist John Ruskin, whose writings greatly influenced the atmospheric work of John Atkinson Grimshaw. With landscapes now accounting for over half of the fine art collection, including 45 works Ruskin, the display drew on Ruskin's principals of light, atmosphere and close observation of nature.

A separate Collection Display, "You Curate!" featured artworks selected by Lakeland Arts' members and visitors. Through this programme we encouraged people to explore Lakeland Arts' collection with us, resulting in a fabulous and wide-ranging display of paintings, drawings and sculpture at Blackwell.

Windermere Jetty Museum

We installed the "Swallows and Amazons For Ever!" exhibition just days after Windermere Jetty Museum's first birthday and the government-enforced closure of Windermere Jetty Museum on 19 March due to COVID-19. During lockdown we produced a video tour of the exhibition, which was made publicly available on our website, social media and newsletters, as well as a new article about the exhibition for our special digital edition of QUARTO, our magazine for Lakeland Arts members.

Based on Lakeland Arts' audience research, as well as local and national research information showing audiences preferred to be outdoors than indoors due to COVID-19, we implemented measures to improve our outdoor offer at Windermere Jetty Museum. The measures included: extending the Swallows and Amazons For Ever! experience to the outdoors; opening up areas of the site previously inaccessible to visitors, including the Meadow where we created a family-friendly "Spirit of Adventure" trail. We also added new interpretation on-site and online to help visitors find their way around and engage with the new activities at the site.

Boat conservation work resumed on "MV Penelope", which, as a passenger carrying vessel is income-generating. "Penelope" was due to undergo sea trials ahead of Windermere Jetty's 1st birthday weekend in March 2020. The work on "Penelope" was prioritised and the vessel joined "SL Osprey" on the water.

Work with communities

We have continued to work with communities during the three Lockdowns and the periods where our museums have been open.

Lakeland Arts

Strategic Report for the Year Ended 31 March 2021

Collections

This period saw the arrival of two important allocations to Lakeland Arts through the Acceptance in Lieu of Tax scheme: an oil painting by John Atkinson Grimshaw, 'In the Golden Mists of Autumn', 1884, and a marble sculpture by Barbara Hepworth, 'Moon Form', 1968. Both applications involved rigorous justification for why Lakeland Arts would be a suitable home for the works and they contribute to the collection significantly. The Hepworth sculpture had previously been on long-term loan from the Hepworth Estate, and they specifically chose Lakeland Arts as their desired venue.

During this time, Windermere Jetty Museum received the generous gift of 'Merlin', a 1908 Windermere 17 sailing yacht. Measuring an impressive 17 feet at its waterline, Merlin may be the oldest example of its class still on the water and it represents an important addition to the sailing collection at the museum.

With regard to loans, two short-term loans of decorative art were placed at Blackwell for the House of the Setting Sun exhibition. A ceramic lidded pot by Edward Hughes and a lacquered bowl from Japan were both generously loaned for display by a private collection. Due to lockdown restrictions, this period also saw the return of the temporary loans included in the Arts and Crafts of Politics exhibition at Blackwell. This included items loaned from the People's History Museum, William Morris Gallery, Whitworth Art Gallery and The Ruskin at the University of Lancaster.

Only one item from the collection was externally loaned during this period- JMW Turner's 'The Passage of Mount St Gotthard'. The watercolour travelled to Switzerland to appear in the 'Im Herzen wild: Die Romantik von Fuseli bis Bocklin' exhibition at the Kunstmuseum Zurich.

MEND

MEND is a creative response by Lakeland Arts to connect with rural and geographically isolated communities in Cumbria as a new era, defined by the global pandemic, emerges. Supported by a grant of £50,000 from Art Fund. MEND is helping set the direction for how we engage with audiences in the future as we adapt together to the changing world. By visiting people in their communities rather than expecting them to visit our museums during this time of crisis, we have been establishing new dialogues that are informing our future programme in and out of venue.

Digital curation and Everyday Creativity

We have created and shared regular content for social media, blogs and the website. This content explored aspects of Lakeland Arts' collection and resulted in several new digital exhibitions which were made available to explore on our website. We created "how to" videos to enable people to get creative at home using everyday objects.

Community Magazine

Recognising that some individuals and communities prefer or need to engage with culture and heritage tangibly and following audience research with local care homes in Kendal and Windermere, we created and co-produced a new community magazine. Featuring content from local poets, care home residents and the Lakeland Arts collection, the magazine included things to read, look at and do. Lakeland Arts staff edited and produced the magazine in-house and distributed it to care homes.

QUARTO

We delivered two special editions of QUARTO, formerly Abbot Hall's quarterly magazine, launched in 1962. These special editions were the first in nearly two decades and were created to reach Lakeland Arts' members and wider community in digital form. The magazines included articles by staff and volunteers which explored the collection and wider programming.

Lakeland Arts

Strategic Report for the Year Ended 31 March 2021

Commercial activities

The commercial operation of Lakeland Arts is run by Lakeland Arts Enterprises Ltd, Lakeland Arts' wholly owned trading subsidiary which undertakes all non-primary objects of the charity (retail and catering) and donates the net income to the charity on an annual basis.

In February 2020 two new roles were introduced to lead Lakeland Arts' commercial activities. The Senior Visitor Experience Manager took over operational responsibility, while data analysis and strategic guidance was taken on by the Business Development Manager, both reporting to the Chief Operating Officer.

New income generating opportunities were trialled such as Wildcat Island Campfires, Model Boat Hire at Windermere Jetty Museum, and planning work was undertaken for a new wedding offer at both venues. Venue hire opportunities were refreshed ahead of restrictions easing and planning work was undertaken for increasing event activities such as theatre performance, outdoor cinema and hosting partner events such as with the Steamboat Association.

Retail

Income through retail sales were negatively impacted by the COVID-19 pandemic due to repeated closures of Lakeland Arts' venues and key team members focussing on adapting the sites to be COVID-secure in line with Government Guidance.

In response, an Online Shop was launched in November 2020 for a trial period to research demand. Data from the trial informed Lakeland Arts' bid for the Weston Culture Fund, part of which would support a more permanent online shop with enhanced customer experience as well as creating new employment opportunities.

Catering

Income through catering was also negatively impacted by the repeated closure of Lakeland Arts venues due to Government Guidance.

Lakeland Arts benefited from the Government's temporary tax reduction of food and beverage and participated in the Eat Out To Help Out scheme in August 2020.

In response to Audience Research both nationally and with Lakeland Arts audiences, more opportunities were created for visitors to enjoy a café experience outside our venues. Tea on the Terrace was established at Blackwell, while additional seating was introduced at Windermere Jetty Museum's lakeshore café. The popularity of this with our visitors informed part of the Weston Culture Fund bid; to create year-round opportunities for our audiences to enjoy our food and beverage offerings in outside spaces where they are immersed in the spectacular landscape.

A new dine-at-home service was trialled at Blackwell for Mothers' Day with the popular Afternoon Tea. Uptake on this was relatively low, but the feedback was positive and the research will support future catering offers.

Marketing and communication

The new Business Development Manager role established in February 2020 encompassed leadership of marketing for Lakeland Arts. A new marketing team was established in July 2020 ahead of reopening the venues following the first lockdown.

The National Lottery Heritage Fund's Resilient Heritage project was completed in May 2020 and delivered a new brand for Lakeland Arts and its venues. Launched in July 2020, the new visual identity was accompanied by a new website with enhanced functionality, and smoother customer experience. The new brand unites Lakeland Arts' remarkable cultural venues which are embedded in the Lake District, while celebrating their individual characteristics by remaining rooted in a sense of place, and highlighting Lakeland Arts' rich collections, engaging programmes and passionate people.

While web and social media statistics were lower overall due to the reduced traffic while our venues were closed, the marketing team worked closely with the programming and development teams to deliver new digital content, activities and events to engage audiences while they were unable to visit in person. This extra digital content was well received by our Members and wider audiences.

Lakeland Arts

Strategic Report for the Year Ended 31 March 2021

In September 2020 Windermere Jetty Museum hosted the filming of two episodes of the BBC's Antiques Roadshow. The first episode aired in February 2021 and received a positive response in the press, online and on social media. The second episode aired in May 2021.

Fundraising

Lakeland Arts is grateful for the grants, donations and sponsorship we receive from all the organisations and individuals who support us. The support means we are able to continue our work, helping us to conserve our Grade I listed buildings, care for and develop the Trust's collections, promote world-class art and heritage and deliver exciting exhibition and learning programmes. Lakeland Arts would like to sincerely thank all the individuals and organisations mentioned in this report, and all those who wish to remain anonymous.

Lakeland Arts has successfully raised income from voluntary sources for over 50 years and fundraising continues to be an important part of our activity. During 2020-21 Lakeland Arts raised £1,875M of voluntary income from donations, grants and sponsorships. This represented 77% of our overall income in 2020-21. Valuable support came from a range of sources, including individual donors, trusts and foundations, public funders and corporate organisations.

As a member of the Cumbria Museum Consortium, an Arts Council England National Portfolio Organisation, Lakeland Arts received unrestricted core funding, working in partnership with Wordsworth Grasmere and Tullie House Museum and Art Gallery.

Funding to support our core activities was received from the DCMS Culture Recovery Fund, Arts Council England Emergency Response Fund, The Wolfson Foundation, The Sir John Fisher Foundation, South Lakeland District Council, Cumbria County Council and Kendal Town Council. Lakeland Arts continues to receive important support from our Friends, Patrons and Benefactors, raising a total of £70,596 in 2020-21 from these membership and donor schemes.

We received the second instalment of a three-year £95,000 grant from the John Ellerman Foundation towards the salary costs of a Collection Management Assistant and Curatorial and Programming Assistant, building additional capacity to safeguard and develop curatorial skills.

We received grants from the National Lottery Heritage Fund Emergency Fund, The Garfield Weston Foundation and The Headley Trust to make adaptations to our site, systems and programme at Windermere Jetty Museum to address the impacts of Covid-19.

Grants from Art Fund, the Clore Duffield Foundation and the Granada Foundation enabled us to adapt our work with communities in the pandemic. The grants from Art Fund and the Granada Foundation enabled us to deliver "MEND", a new programme of work with community groups in geographically isolated locations around Cumbria. The grant from the Clore Duffield Foundation enabled us to instigate a new programme of work with young people in Kendal.

Grants from the Westmorland Arts Trust, the Great Britain Sasakawa Foundation and The Japan Society contributed to The House of the Setting Sun exhibition at Blackwell.

Capital Projects

Abbot Hall

Despite the unprecedented support Lakeland Arts has received, the Covid-19 pandemic has had a serious negative impact on the museum sector. Following the circumstances of the last year, we needed to look again at the proposals for the capital development at Abbot Hall and having reviewed these with the Arts Council we mutually agreed the withdrawal of the capital award of £4.6million and instead to use Arts Council support to focus on our future sustainability, following this very challenging period.

We remain committed to a capital redevelopment of Abbot Hall and have therefore adopted a phased approach that will enable us to reopen Abbot Hall in summer 2022. MUMA continue to be engaged as our architect for the Abbot Hall project.

Lakeland Arts

Strategic Report for the Year Ended 31 March 2021

BENEFACTORS AND PATRONS

Benefactors

Mr and Mrs A Ambler
Mr and Mrs T J R Harding
Dr A C I and Mrs Naylor
Mr and Mrs J S Rink
Mr and Mrs M Southern
Dr J P L Welch

Patrons

Mr M Ainscough
Mr C H Bagot and Mrs S Bagot MBE
Mr and Mrs J Campbell
Mr and Mrs D Case
The Lord and Lady Cavendish
Mr C Crewdson OBE and Mrs Crewdson
Sir James Cropper KCVO
Mr and Mrs W Dufton

Ms W Ellis
Mr J Entwistle OBE and Mrs Entwistle
Mr and Mrs N J Fleming
Mr and Mrs M Gibbons
Mr R Hasell-McCosh
Ms J M Holland
Susan, Lady Kimber
Mr and Mrs J Lee
Mrs D Matthews
Mr J S Nicoll and Ms L Colchester
Mr T C Parker
Mr P Kessler MBE and Miss D Rose QC
Sir Christopher and Lady Scott
Mr and Mrs A Scott
Mr N Thompson
Mr J H Townson
Dr T Tuohy
Mr and Mrs G M Wallace
Mrs M Warburton
Mr and Mrs P M White
Ms J Wood
Mr C Woodhouse CVO
Mr J N C Woodhouse

And all those who wish to remain anonymous.

Lakeland Arts

Strategic Report for the Year Ended 31 March 2021

FINANCIAL REVIEW

The nation went into National Lockdown due to Covid-19 pandemic. In response to the loss of £1.2M earned income Lakeland Arts raised £1.875M from statutory, Lottery, charitable & philanthropic sources. £1.3M was unrestricted funding and £575K was restricted. £450K of the restricted funding will enable Lakeland Arts to adapt and reimagine Windermere Jetty Museum and the visitor experience to support financial resilience in the future.

The Consolidated Statement of Financial Activities shows total income of £3.248M, a decrease of £0.430M compared to 2020. The total income includes restricted funds totalling £0.899M (2020 £1.374M) and unrestricted funds totalling £2.349M (2020 £2.301M). Unrestricted funds is made up of 80% from Donations, Grants and Legacies. 13% from Charitable Activities and 7% from Trading Activities. In comparison, in the prior year, of the unrestricted funds generated, we generated 33% from the trading activity and 32% from Charitable Activity, the reduction can be attributed to the Covid-19 pandemic.

Total resources expended were £2.191M, a reduction of £1.357M when compared with the prior year. Unrestricted resources expended totals £1.869M and restricted totals £322K. Restricted expenditure relates to costs in relation to the NLHF Emergency Funding, Abbot Hall Redevelopment Project, the Windermere Jetty Museum Capital Project, National Lottery Fund, Heritage Resilience, Weston Culture Fund.

Lakeland Arts revalued its properties fixed assets, with the revaluation of Windermere Jetty Museum being reflected as a reduction in restricted funds.

At 31st March 2021 the carried forward restricted funds balance is reporting a surplus of £17.364M and the carried forward unrestricted funds balance reporting a much reduced deficit of £80K.

Policy on reserves

Reserves are subject to regular review by the Finance Committee and the Board of Trustees.

The nature of the Charity's income can fluctuate, as a significant proportion of the income is reliant on visitors to our sites. As part of the Financial Planning Process the Charity looks to correlate earned income to the Charity's cost structure, allowing the Charity to reduce costs as required, this reduction in costs is carefully balanced to ensure cost reduction is not significantly detrimental to the achievement of the Charity's objectives.

The Board acknowledges the need to build free reserves to cover generic operating costs and the costs of new business opportunities which may not otherwise be directly funded but which will lead to increased financial resilience and stability in the long term.

The Board have set a reserves policy equivalent to two month's unrestricted charitable expenditure. The Board aspires to build reserves to this amount and have forecast a surplus budget position for the coming year.

Factors likely to affect future financial performance or position

The Covid-19 pandemic continues to impact upon Lakeland Arts in the financial year ending 31st March 22.

Lakeland Arts continues to be successful with its applications for emergency funding, having been awarded £349,000 from the DCMS Culture Recovery Fund: Continuity Support, which exists to support cultural organisations who have previously received funding from the Culture Recovery Fund: Grants programme, in the first or second rounds, and can clearly demonstrate the financial need for further funding in order to operate on a viable and sustainable basis by 31 January 2022.

Lakeland Arts

Strategic Report for the Year Ended 31 March 2021

Principal funding sources

The principal sources of funding for the costs of operating Blackwell the Arts & Crafts House, Windermere Jetty Museum and Abbot Hall Art Gallery are Arts Council England, various grants, investment income, membership fees, donations, gift aid and earned income.

Investment policy and objectives

The charitable company has the power to make investments as it sees fit. The investment policy determined by the trustees for the endowment funds is to provide a balanced return from a broad spread of medium risk investments, and for general funds to provide a higher income from a spread of lower risk investments.

The investment policy is implemented by professional investment managers Sarasin & Partners LLP.

Principal risks and uncertainties

Major risks

All significant activities undertaken are subject to a risk review as part of the initial project assessment and implementation. Major risks are identified and ranked in terms of their potential impact and likelihood. Major risks, for this purpose, are those that may have a significant effect on:

- Operational performance, including risks to staff, volunteers and visitors;
- Achievement of aims and objectives; or
- Meeting the expectations of beneficiaries or supporters.

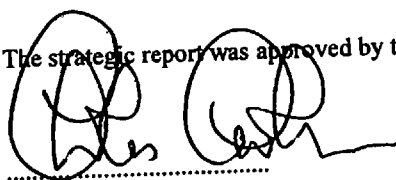
The trustees review these risks on an ongoing basis and satisfy themselves that adequate systems and procedures are in place to manage the risks identified. Where appropriate, risks are covered by insurance. The following framework is central to ensuring adequate risk management:

- Regular monitoring of major risks and development of disaster recovery plans;
- Embedding risk identification and assessment within operating procedures;
- A clear structure of delegated authority and control; and
- Maintaining reserves in line with set policies.

In assessing risk the trustees recognise that some areas of work require the acceptance and management of risk if key objectives are to be achieved. The trustees have reviewed the major risks to which the charitable company is exposed and identified control and mitigation procedures, under the headings of:

- Governance;
- Operational;
- Financial;
- Environmental; and
- Compliance.

The strategic report was approved by the trustees of the charity on 6 December 2021 and signed on its behalf by:



C W N Crewdson OBE JP
Trustee

Lakeland Arts

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2021.

Trustees

M J Ainscough BSc DL (resigned 31 July 2021)
M Benjamin (appointed 31 December 2020)
H C F Bowring MA JP DL (resigned 11 September 2020)
C M Clarke CBE FRSE (resigned 31 July 2021)
A R Collinson (resigned 31 July 2021)
C W N Crewdson OBE JP
S A Crewe
K M Howarth (appointed 22 July 2021)
J C Hudson FREng
S L Keegan (resigned 31 July 2021)
E Kentley
J Mottram PhD
D Reid MCIOF (appointed 11 March 2021)
B Riley
G F Rycroft (appointed 22 July 2021)
Lady E Scott (appointed 27 May 2021)
N W R Thompson

Objectives and activities

Objects and aims

Lakeland Arts Vision, Mission and strategic objectives are as follows:

Vision

Lakeland Arts has a unique role reflecting creative inspiration flowing through the local landscape and its people

Mission

We run a range of significant destinations firmly embedded in the Lake District.

We achieve our vision through remarkable venues, rich collections, engaging programmes and passionate people – all connected by a powerful sense of place.

The work we do connects deeply with our local communities and has a transformative effect on our audiences.

Strategic Objectives:

Lakeland Arts

Trustees' Report

Preserving the past

- **Care for and develop our sites**, ensuring they are safe, inspiring and welcoming for our local communities and visitors from elsewhere.
- **Nurture and grow our collections**, ensuring they are rich, relevant and engaging for local and global audiences.
- **Capture and evolve our stories**, making sure that they are meaningful, resonant and enduring to the people who share them.

Engaging with the present

- **Create outstanding and inclusive programming** inspired by our collections and locations to encourage creativity and exploration.
- **Create a two-way relationship with our audiences**, involving and gaining insight from communities both in Cumbria and beyond.
- **Build creative and fruitful partnerships**, encouraging collaboration and leading in sharing good practice in cultural development.

Building for the future

- **Invest in our people** through motivating and caring for our staff and volunteers with clarity, respect and inclusive leadership.
- **Invest in our infrastructure**, both physical and digital, to ensure that we remain integrated and able to measure the impact of our work.
- **Operate with initiative and efficiently** to ensure an agile, entrepreneurial, resilient and sustainable organisation.

Fundraising disclosures

As an accredited museum Lakeland Arts adheres to the Museums Association Code of Ethics for Museums. The Code defines the ethical principles which guide museum practice and underpin policy and practice regarding the development of museum collections. An ethical approach to museums also underpins the Accreditation Standard. This code supports museums, those who work in and with them, and their governing bodies in recognising and resolving ethical issues and conflicts. It sets out key ethical principles and the supporting actions that museums should take to ensure an ethical approach to their work in relation to their audiences, local communities, donors, source communities, partner organisations, sponsors and funders. Lakeland Arts is an organisational member of the Museums Association.

Lakeland Arts has a set of policies that ensure we implement and adhere to the Museums Association Code of Ethics, including in relation to donors and funders. These include our Privacy Policy and our Safeguarding Children and Vulnerable Adults Policy, which applies to all staff, trustees, volunteers, and contractors, and sets out how we would recognise and deal with incidents of suspected financial abuse.

During 2020-21 Lakeland Arts did not contract professional fundraisers from a third-party business to carry out fundraising on its behalf.

In 2020-21 Lakeland Arts did not receive any complaints about activities by the charity or by a person on behalf of the charity for the purpose of fund-raising.

Lakeland Arts

Trustees' Report

Public benefit

Abbot Hall was opened as an art gallery in September 1962 and has since built up an outstanding art collection and created a strong exhibition programme.

In 1971 the Museum of Lakeland Life & Industry (MOLLI) was opened in the coach house and stable block at Abbot Hall and developed an important and extensive collection relating to the social and industrial history of the Lake District and Kendal.

In July 2001 Blackwell was opened, a Grade 1 Listed house, in a stunning position above Lake Windermere, looking across to the Conistone Fells. Designed by MH Baillie Scott and completed in 1900, this is one of the most important Arts and Crafts houses in the UK with a national reputation for its programme of exhibiting historic and contemporary crafts.

In March 2019 Windermere Jetty was opened, a world-class museum and tourist attraction.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Structure, governance and management

Nature of governing document

Lakeland Arts (the charitable company) is a company limited by guarantee and is also a registered charity. The charitable company was set up as part of an exercise to modernise the constitution of a separate charity, Lakeland Arts Trust, which is an unincorporated trust, constituted under a trust deed dated 19 August 1957 and is a registered charity, number 526980. Lakeland Arts Trust was formed to save Abbot Hall, an important mid eighteenth-century Grade 1 Listed house on the banks of the River Kent in Kendal, and to convert it into an Art Gallery.

The charitable company is governed by its Memorandum and Articles of Association and has similar objects to Lakeland Arts Trust. As of 1 August 2013, the charitable company replaced the Trust as the operator of the various venues for use by the public and took over the redevelopment of Windermere Jetty. The funds, assets and liabilities of Lakeland Arts Trust were transferred to the charitable company. Lakeland Arts Trust continues to hold the Blackwell Endowment which is a permanent endowment, and the collections which are loaned to the charitable company.

Recruitment and appointment of trustees

The Trustee Succession Planning Committee anticipates the retirement of serving Trustees, plan their succession and to recruit new Chairs and Trustees into the organisation. The Succession Planning Committee has the delegated authority of the Board of Trustees to identify, select and recruit new Chairs or Trustees to the Board of Lakeland Arts. All appointments will require formal endorsement by the Board.

The Succession Planning Committee will: -

- Review the normal retirement dates of the Board Members
- Identify the skills likely to be required by Lakeland Arts Trust and seek candidates with those skills
- Candidates may be identified through any appropriate means including advertising, recommendations, recruitment websites, etc.
- Candidates must be considered in the light of the skills they will bring to the Board and Lakeland Arts' commitment to increase the diversity of the Board.

Candidates will be interviewed by the CEO, Chair of Trustees and one other member of the Succession Planning Committee. A recommendation will be made to the Succession Planning Committee who will decide whether to approve the candidate. The proposal will then be referred to the full board of Trustees for formal endorsement.

Lakeland Arts

Trustees' Report

Organisational structure

The directors of the charitable company are its trustees for the purposes of charity law. The Board of Trustees of up to fifteen members, but not less than six, meets regularly and administers the charitable company. The trustees are elected by the Board of Trustees at the Annual General Meeting in accordance with the Articles of Association. The trustees who have served during the year and since the year end are shown in the Charity Information page.

At their meetings, the trustees agree the broad strategy, policy and areas of activity for the charitable company, including consideration of financial policy, reserves and risk management policies and performance. Trustees also decide the level of pay for key management personnel taking into account appropriate benchmarks. A disclosure in relation to remuneration and expenses of key management personnel is included in the notes to the accounts. The Board of Trustees appoints Investment Managers, currently Sarasin & Partners LLP, who are responsible for implementing the overall investment policy.

Relationships with related parties

Lakeland Arts Trust

Lakeland Arts is the sole trustee of Lakeland Arts Trust which holds the collections and the Blackwell endowment. As such Lakeland Arts Trust is treated as a subsidiary in these accounts.

Lakeland Arts Enterprises Limited

Lakeland Arts Enterprises Limited is the wholly owned trading subsidiary of the charitable company. Together with Lakeland Arts Trust and Lakeland Arts these three entities comprise Lakeland Arts Group.

Lakeland Arts Support Trust

Lakeland Arts Support Trust is a charity formed in 1998 for the purpose of generating income to provide financial support for the charitable company at its Abbot Hall site in Kendal. It has a separate board of trustees and so does not form part of the group.

South Lakeland District Council

South Lakeland District Council owns the Abbot Hall building - SLDC also makes an annual grant towards the charitable company's operational costs and programme of activities.

Financial instruments

Objectives and policies

The group's activities expose it to a number of financial risks which may arise from changes in prices, visitor spending behavior, overhead costs, investments but also from unforeseeable events such as the Covid-19 pandemic. Management of these financial risks and liquidity risks is the central responsibility of the Finance Committee. The Trustees are informed of the current risk situation at regular intervals.

Credit risk

The group's principal financial assets are bank balances and cash, trade and other receivables, and investments. The group has low credit risk as receivables are primarily grants due to be received. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

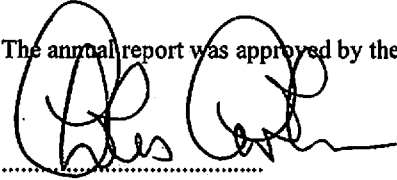
Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Lakeland Arts

Trustees' Report

The annual report was approved by the trustees of the charity on 6 December 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'C W N Crewdson', written over a dotted line.

.....
C W N Crewdson OBE JP
Trustee

Lakeland Arts

Statement of Trustees' Responsibilities

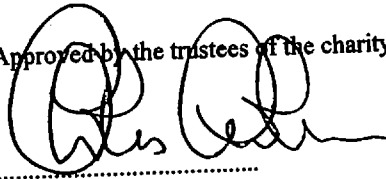
The trustees (who are also the directors of Lakeland Arts for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 6 December 2021 and signed on its behalf by:



.....
C W N Crewdson OBE JP
Trustee

Lakeland Arts

Independent Auditor's Report to the Members of Lakeland Arts

Opinion

We have audited the financial statements of Lakeland Arts (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2021 and of its 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.

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 group 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 group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material 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.

Lakeland Arts

Independent Auditor's Report to the Members of Lakeland Arts

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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 15), the trustees 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 charity'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 charity 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:

Lakeland Arts

Independent Auditor's Report to the Members of Lakeland Arts

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our experience and from discussions with management. We reviewed any related correspondence and records of trustee meetings to assess compliance with laws and regulations and discussed the current position with management. We ensured the audit team were alert for any indications of non-compliance throughout the audit work.

We reviewed material journals processed in the charitable company's accounting software.

We assessed the charity's policies and procedures on fraud risks. No instances of actual, suspected or alleged fraud were identified by us or the charity in the year.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

This report is made solely to the charitable parent company's trustees, 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 group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Helen Holmes BSc FCA (Senior Statutory Auditor)
For and on behalf of Stables Thompson & Briscoe, Statutory Auditor

Chartered Accountants & Statutory Auditor
Lowther House
Lowther Street
Kendal
LA9 4DX

10 December 2021

Lakeland Arts

Consolidated Statement of Financial Activities for the Year Ended 31 March 2021 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £
Income and Endowments from:					
Donations and legacies	3	1,868,312	879,345	-	2,747,657
Charitable activities	4	310,051	-	-	310,051
Other trading activities	5	163,773	-	-	163,773
Investment income	6	6,531	20,171	-	26,702
Other income	7	30	-	-	30
Total income		<u>2,348,697</u>	<u>899,516</u>	<u>-</u>	<u>3,248,213</u>
Expenditure on:					
Raising funds	8	(635,534)	-	-	(635,534)
Charitable activities	9	<u>(1,233,410)</u>	<u>(321,557)</u>	<u>-</u>	<u>(1,554,967)</u>
Total expenditure		<u>(1,868,944)</u>	<u>(321,557)</u>	<u>-</u>	<u>(2,190,501)</u>
Gains/losses on investment assets		<u>(57,555)</u>	<u>-</u>	<u>101,155</u>	<u>43,600</u>
Net income		422,198	577,959	101,155	1,101,312
Transfers between funds		61,789	39,366	(101,155)	-
Other recognised gains and losses					
Gains/losses on revaluation of fixed assets		24,000	(1,177,493)	-	(1,153,493)
Actuarial gains on defined benefit pension schemes		<u>56,000</u>	<u>-</u>	<u>-</u>	<u>56,000</u>
Net movement in funds		563,987	(560,168)	-	3,819
Reconciliation of funds					
Total funds brought forward		<u>(644,676)</u>	<u>17,923,835</u>	<u>585,000</u>	<u>17,864,159</u>
Total funds carried forward	25	<u><u>(80,689)</u></u>	<u><u>17,363,667</u></u>	<u><u>585,000</u></u>	<u><u>17,867,978</u></u>

The notes on pages 24 to 62 form an integral part of these financial statements.

Lakeland Arts

Consolidated Statement of Financial Activities for the Year Ended 31 March 2021 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £ (As restated)
Income and Endowments from:					
Donations and legacies	3	685,998	1,340,247	-	2,026,245
Charitable activities	4	746,671	-	-	746,671
Other trading activities	5	758,087	-	-	758,087
Investment income	6	11,995	33,797	-	45,792
Other income	7	101,557	-	-	101,557
Total income		<u>2,304,308</u>	<u>1,374,044</u>	<u>-</u>	<u>3,678,352</u>
Expenditure on:					
Raising funds	8	(1,200,686)	-	-	(1,200,686)
Charitable activities	9	<u>(1,928,060)</u>	<u>(419,746)</u>	<u>-</u>	<u>(2,347,806)</u>
Total expenditure		<u>(3,128,746)</u>	<u>(419,746)</u>	<u>-</u>	<u>(3,548,492)</u>
Gains/losses on investment assets		<u>5,801</u>	<u>-</u>	<u>(1,389)</u>	<u>4,412</u>
Net (expenditure)/income		(818,637)	954,298	(1,389)	134,272
Transfers between funds		2,506,224	(1,567,181)	(939,043)	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes		<u>39,000</u>	<u>-</u>	<u>-</u>	<u>39,000</u>
Net movement in funds		1,726,587	(612,883)	(940,432)	173,272
Reconciliation of funds					
Total funds brought forward		<u>(2,371,263)</u>	<u>18,536,718</u>	<u>1,525,432</u>	<u>17,690,887</u>
Total funds carried forward	25	<u>(644,676)</u>	<u>17,923,835</u>	<u>585,000</u>	<u>17,864,159</u>

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 25.

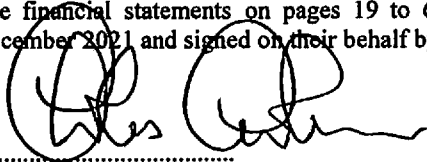
The notes on pages 24 to 62 form an integral part of these financial statements.

Lakeland Arts

(Registration number: 8162578)
Consolidated Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £ (As restated)
Fixed assets			
Tangible assets	16	18,227,033	19,286,267
Investments		<u>907,838</u>	<u>1,014,041</u>
		<u>19,134,871</u>	<u>20,300,308</u>
Current assets			
Stocks	19	33,397	36,451
Debtors	20	121,199	237,925
Cash at bank and in hand	21	<u>631,652</u>	<u>60,825</u>
		786,248	335,201
Creditors: Amounts falling due within one year	22	<u>(376,309)</u>	<u>(1,079,350)</u>
Net current assets/(liabilities)		<u>409,939</u>	<u>(744,149)</u>
Total assets less current liabilities		19,544,810	19,556,159
Creditors: Amounts falling due after more than one year	23	<u>(1,240,833)</u>	<u>(1,200,000)</u>
Net assets excluding pension liability		18,303,977	18,356,159
Pension scheme liability	24	<u>(435,999)</u>	<u>(492,000)</u>
Net assets including pension liability		<u>17,867,978</u>	<u>17,864,159</u>
Funds of the group:			
Endowment funds		585,000	585,000
Restricted income funds			
Restricted funds	25	17,363,667	17,923,835
Unrestricted income funds			
Unrestricted funds		<u>(80,689)</u>	<u>(644,676)</u>
Total funds	25	<u>17,867,978</u>	<u>17,864,159</u>

The financial statements on pages 19 to 62 were approved by the trustees, and authorised for issue on 6 December 2021 and signed on their behalf by:



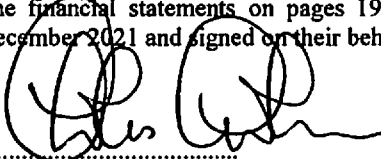
 C W N Crewdson OBE JP
 Trustee

Lakeland Arts

(Registration number: 8162578)
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £ (As restated)
Fixed assets			
Tangible assets	16	18,227,033	19,286,267
Investments		<u>286,002</u>	<u>392,640</u>
		<u>18,513,035</u>	<u>19,678,907</u>
Current assets			
Debtors	20	393,969	460,066
Cash at bank and in hand	21	<u>624,943</u>	<u>60,182</u>
		1,018,912	520,248
Creditors: Amounts falling due within one year	22	<u>(365,963)</u>	<u>(1,045,438)</u>
Net current assets/(liabilities)		<u>652,949</u>	<u>(525,190)</u>
Total assets less current liabilities		19,165,984	19,153,717
Creditors: Amounts falling due after more than one year	23	<u>(1,240,833)</u>	<u>(1,200,000)</u>
Net assets including pension liability		<u>17,925,151</u>	<u>17,953,717</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	25	17,363,666	17,923,834
Unrestricted income funds			
Unrestricted funds		<u>561,485</u>	<u>29,883</u>
Total funds	25	<u>17,925,151</u>	<u>17,953,717</u>

The financial statements on pages 19 to 62 were approved by the trustees, and authorised for issue on 6 December 2021 and signed on their behalf by:


.....
C W N Crewdson OBE JP
Trustee

The notes on pages 24 to 62 form an integral part of these financial statements.

Lakeland Arts

Consolidated Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £ (As restated)
Cash flows from operating activities			
Net cash income		3,819	173,272
Adjustments to cash flows from non-cash items			
Depreciation	8	43,167	200,474
Investment income	6	(26,702)	(45,792)
Revaluation of investments		(43,600)	(4,412)
Revaluation of fixed assets held for the group's own use		<u>1,153,493</u>	<u>-</u>
		1,130,177	323,542
Working capital adjustments			
Decrease in stocks	19	3,053	22,193
Decrease in debtors	20	116,726	514,915
Decrease in creditors	22	(412,208)	(1,806,436)
Decrease (increase) in retirement benefit obligation net of actuarial changes	24	(56,002)	(76,382)
Decrease in deferred income	23	<u>-</u>	<u>(71,854)</u>
Net cash flows from operating activities		<u>781,746</u>	<u>(1,094,022)</u>
Cash flows from investing activities			
Interest receivable and similar income	6	6,531	11,995
Purchase of tangible fixed assets	16	(137,424)	(835,382)
Sale of investments		149,803	661,836
Income from dividends	6	<u>20,171</u>	<u>33,797</u>
Net cash flows from investing activities		39,081	(127,754)
Cash flows from financing activities			
Repayment of loans and borrowings	22	<u>(250,000)</u>	<u>1,100,000</u>
Net increase/(decrease) in cash and cash equivalents		570,827	(121,776)
Cash and cash equivalents at 1 April		<u>60,825</u>	<u>182,601</u>
Cash and cash equivalents at 31 March		<u><u>631,652</u></u>	<u><u>60,825</u></u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash		570,827	(121,776)
Cash outflow from repayment of loans		<u>250,000</u>	<u>(1,100,000)</u>
Change in net funds/(debt) resulting from cash flows		<u>820,827</u>	<u>(1,221,776)</u>
Net debt at 1 April 2020		<u>(1,439,175)</u>	<u>(217,399)</u>
Net (debt)/funds at 31 March 2021		<u><u>(£618,348)</u></u>	<u><u>(£1,439,175)</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 24 to 62 form an integral part of these financial statements.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation. The address of the registered office is given on the charity information page of these financial statements. The nature of the charity's operations and principal activities are as an arts and heritage organisation caring for and running Abbot Hall Art Gallery and The Museum of Lakeland Life & Industry in Kendal, Blackwell, The Arts & Crafts House, and the new Windermere Jetty, Museum of Boats, Steam and Stories in Bowness-on-Windermere.

The principal place of business is:
Abbot Hall
Kendal
LA9 5AL

These financial statements were authorised for issue by the trustees on 6 December 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Lakeland Arts 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 notes.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2021. The subsidiaries consolidated for this purpose were Lakeland Arts Enterprises Ltd and Lakeland Arts Trust.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a deficit after all gains and losses for the financial year of £28,566 (2020 - 173,272 surplus).

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

In the year to 31st March 21 Lakeland Arts stabilised its financial situation, reporting a carried forward unrestricted funds surplus of £355K. In the year to 31st March 22 Lakeland Arts continues to make an unrestricted funds surplus, due to success in ACE Cultural Recovery Funding.

On this basis, it is believed that the charity is a going concern.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

Changes in accounting policy

In order to be consistent with other heritage assets it was decided to remove the boat collection costs from the balance sheet and disclose these with other heritage assets in the notes to the accounts. This has resulted in an adjustment of £1,213,047 taken out of restricted funds and heritage assets for the year ended 31 March 2019 and the same for 2020 with an additional cost of £38,792 removed from unrestricted funds being the additional costs for that year for both the group and the charity. Please see note 25 for further detail.

Changes in accounting estimate

Pension scheme disclosures

The full Mercer report for the Lakeland Arts Trust was received in the year and the figures for 2021 and 2020 have replaced the estimates used in previous years. Please see note 25 for the effect on funds.

Income and endowments

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 the income receivable can be measured reliably.

Donations and legacies

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- i. when donors specify that donations and grants given to the charitable company must be used in future accounting periods the income is deferred until these periods; or
- ii. when donors impose conditions which have to be fulfilled before the charitable company becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

Gifts in kind

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

Donated heritage assets are recognised in the Heritage Asset note but are not otherwise recognised in the Statement of Financial Activities (SOFA) in line with the policy on Heritage Assets.

Other trading activities

Income from commercial trading activities, including retail and catering and commission on sale or return items through retail outlets. This income is primarily the income of the trading subsidiary Lakeland Arts Enterprises Ltd and is recorded on a receivable basis.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Charitable activities

Income from Charitable trading activities through Abbot Hall Art Gallery, Blackwell the Arts & Crafts House, Museum of Lakeland Life and Industry and the Windermere Jetty (including admission, learning and Friends of Lakeland Arts memberships), is included in incoming resources in the period for which it is receivable.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably.

Expenditure is included in the Consolidated Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. All costs are defined in 4 specific categories:

Raising funds
Fundraising trading
Charitable activities
Other

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management and professional fees. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £5,000.00 or more are initially recorded at cost including any incidental expenses of acquisition (with the exception of heritage assets), less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Lakeland Arts owns the former Kendal Grammar School (constructed 1588) which is part of the Abbot Hall site. The building is currently divided into 2 parts; no 9 Church Walk is a residential property acquired in 2011 and held as part of the investment portfolio and no 11 Church Walk, also residential which has been in the ownership of Lakeland Arts for many years and is currently used as storage. The latter portion was last valued in 2021 and included in the accounts as a freehold property. The investment property is stated in the accounts at market value. Revaluation will take place every 5 years.

The Windermere Steamboat Museum, designed by Carmody Groarke Architects, opened in March 2019 and houses a collection of steamboats and other vessels known as the Steamboat Museum Collection.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

Heritage assets

Lakeland Arts' principal objects include establishment and maintenance of public art galleries and museums for the benefit of the public. In this connection the charitable company has a long leasehold interest, at a peppercorn rent, in listed buildings at Abbot Hall, of which Abbot Hall itself is Grade 1 Listed. The charitable company also has a freehold interest in the Grade 1 Listed Arts & Crafts House at Blackwell – a property of unique historic importance near Bowness-on-Windermere.

These historic properties are inalienable heritage assets in the sense that it is a fundamental part of the charitable company's purpose to hold and preserve them permanently, and Lakeland Arts is effectively prohibited from disposing of them for any other purpose, not only by the terms of its governing documents, but also by external considerations including the terms of leases, conditions applied by funding bodies and planning consents. These properties are not assets in the normal sense of the word because under the irrevocable terms of their present use they have no market value. To provide a market value based on an impermissible change of use would be misleading. The Trustees consider that the buildings are heritage assets and the charitable company does not, therefore, represent them on the Balance Sheet.

Further information on the Lakeland Arts' heritage assets is given in the notes, in accordance with the terms of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) '18. Accounting for heritage assets'.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	Held at valuation, revalued every five years
Leasehold land and buildings	straight line over the term of the lease
Plant, equipment and fittings	straight line over 4 years

Research and development

Research and development expenditure is written off as incurred.

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

Stock

Stock consists of purchased goods for resale and is included at the lower of cost or net realisable value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the group.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Restricted endowment funds – these are non-permanent endowment funds, the income from which contributes to the operating expenses of Lakeland Arts. The assets of the funds are represented by investments.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

Pensions and other post retirement obligations

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

The group also operates a defined benefit pension scheme for one employee. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and legacies;				
Donations to major appeals	-	285,247	285,247	1,057,100
Donations from companies, trusts and similar proceeds	1,785,778	590,098	2,375,876	818,621
Legacies	-	-	-	27,900
Gift aid reclaimed	11,938	4,000	15,938	29,680
Membership income (including Friends, patrons and benefactors)	70,596	-	70,596	92,944
	<u>1,868,312</u>	<u>879,345</u>	<u>2,747,657</u>	<u>2,026,245</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

	Restricted funds	2021	2020
	£	£	£
Windermere Jetty Capital Project			
NCRF Funding	285,247	285,247	876,949
Boat conservation, Raven and Esperance	-	-	5,000
Other donations £1,000 and under	-	-	2,200
Sub total	<u>285,247</u>	<u>285,247</u>	<u>884,149</u>
Abbot Hall Redevelopment Project			
Clore Duffield Foundation	-	-	50,000
Arts Council	-	-	18,748
Mr F A Scott	-	-	24,000
J E Ambler	-	-	10,000
Anonymous donor	-	-	25,000
John Nicoll	-	-	10,000
Jules and Cheryl Burns	-	-	5,000
J H Barker	-	-	3,000
John Campbell	-	-	2,500
Other donations under £2,500	-	-	13,452
Gift Aid	-	-	11,251
Sub total	<u>-</u>	<u>-</u>	<u>172,951</u>
	<u>285,247</u>	<u>285,247</u>	<u>1,057,100</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

Other grants and donations	Unrestricted funds	Restricted funds	2021	2020
	£	£	£	£
Arts Council England NPO	451,680	-	451,680	443,696
Lakeland Arts Support Trust	56,000	-	56,000	33,000
Sir John Fisher Foundation	25,000	-	25,000	25,000
CJRS government grants	378,261	-	378,261	-
Arts Council England Emergency Response Fund	358,010	-	358,010	-
The Wolfson Foundation	250,000	-	250,000	-
DCMS Cultural Recovery Fund Round 1	219,067	-	219,067	-
National Lottery Heritage Fund Emergency Fund	-	250,000	250,000	-
Garfield Weston Foundation	-	200,000	200,000	-
The Granada Foundation	4,000	-	4,000	-
Government support - BBL interest	1,071	-	1,071	-
National Lottery Heritage Fund, Resilient Heritage	-	-	-	176,780
South Lakeland District Council	25,000	-	25,000	25,000
Clore Duffield Foundation, Cultural Learning Programme (Abbot Hall)	-	20,000	20,000	-
Art Fund	-	44,895	44,895	7,500
Rathbones	-	-	-	3,000
The Granada Foundation	-	2,000	2,000	-
The Japan Society	-	750	750	-
Cumbria Community Foundation - Westmorland Arts Trust	-	1,175	1,175	-
The Headley Trust	-	15,000	15,000	25,000
Cumbria County Council	10,000	-	10,000	10,000
Kendal Town Council	-	3,000	3,000	3,000
The National Heritage Memorial Fund	-	-	-	16,700
The John Ellerman Foundation	-	31,667	31,667	18,472
The Pilgrim Trust	-	8,341	8,341	16,659
BESTT	-	12,728	12,728	4,036
Other donations	7,689	542	8,231	10,778
	<u>1,785,778</u>	<u>590,098</u>	<u>2,375,876</u>	<u>843,621</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

Legacies and gifts in memory	Unrestricted funds	Restricted funds	2021	2020
	£	£	£	£
J Mumford in memory of the late Carolyn Marie Stone	-	-	-	10,000
AJM Hartree in memory of the late Bill Hartree	-	-	-	5,000
Estate of Dr M Purdy	-	-	-	12,900
	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,900</u>

4 Income from charitable activities

	Unrestricted funds General £	Total 2021 £
Visitor income	94,244	94,244
Learning income	110	110
Museums and Galleries tax relief	<u>215,697</u>	<u>215,697</u>
	<u>310,051</u>	<u>310,051</u>
	Unrestricted funds General £	Total 2020 £
Visitor income	674,704	674,704
Learning income	6,204	6,204
Museums and Galleries tax relief	<u>65,763</u>	<u>65,763</u>
	<u>746,671</u>	<u>746,671</u>

5 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading income;		
Sales of goods and services	<u>163,773</u>	<u>163,773</u>
Total for 2021	<u>163,773</u>	<u>163,773</u>
Total for 2020	<u>758,087</u>	<u>758,087</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

6 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2021 £
Income from dividends;			
Dividends receivable from other listed investments	-	20,171	20,171
Interest receivable and similar income;			
Interest receivable on bank deposits	657	-	657
Other income from fixed asset investments	654	-	654
Income from rents	5,220	-	5,220
	<u>6,531</u>	<u>20,171</u>	<u>26,702</u>
	Unrestricted funds General £	Restricted funds £	Total 2020 £
Income from dividends;			
Dividends receivable from other listed investments	-	33,797	33,797
Interest receivable and similar income;			
Interest receivable on bank deposits	2,848	-	2,848
Other income from fixed asset investments	3,927	-	3,927
Income from rents	5,220	-	5,220
	<u>11,995</u>	<u>33,797</u>	<u>45,792</u>

7 Other income

	Unrestricted General £	Total 2021 £	Total 2020 £
Other income	30	30	1,557
WJ Commercial Lease Premium (one-off)	-	-	100,000
	<u>30</u>	<u>30</u>	<u>101,557</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

8 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Total 2021 £
Other direct costs of generating voluntary income		57,830	57,830
Allocated support costs	10	19,945	19,945
		<u>77,775</u>	<u>77,775</u>
	Note	Unrestricted funds General £	Total 2020 £
Other direct costs of generating voluntary income		65,872	65,872
Allocated support costs	10	21,100	21,100
		<u>86,972</u>	<u>86,972</u>

b) Costs of trading activities

	Note	Unrestricted funds General £	Total 2021 £
Trading subsidiary costs		49,248	49,248
Marketing and publicity		57,533	57,533
Wages and salaries		359,324	359,324
Allocated support costs	10	90,489	90,489
		<u>556,594</u>	<u>556,594</u>
	Note	Unrestricted funds General £	Total 2020 £
Trading subsidiary costs		316,667	316,667
Marketing and publicity		145,779	145,779
Wages and salaries		525,803	525,803
Allocated support costs	10	125,465	125,465
		<u>1,113,714</u>	<u>1,113,714</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

c) Investment management costs

	Note	Unrestricted funds General £	Total 2021 £
Other investment management costs;			
Administration of the investments		1,165	1,165
		<u>1,165</u>	<u>1,165</u>

d) Total expenditure on raising funds

	Direct costs £	Allocated support costs £	Total 2021 £
Costs of generating donations and legacies	57,830	19,945	77,775
Costs of trading activities	466,105	90,489	556,594
Investment management costs	1,165	-	1,165
	<u>525,100</u>	<u>110,434</u>	<u>635,534</u>
	Direct costs £	Allocated support costs £	Total 2020 £
Costs of generating donations and legacies	65,872	21,100	86,972
Costs of trading activities	988,249	125,465	1,113,714
	<u>1,054,121</u>	<u>146,565</u>	<u>1,200,686</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

9 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	2021 £
Exhibition programmes	134,964	47,845	182,809
Collections and conservation of exhibits	180,581	47,200	227,781
Learning	124,133	46,207	170,340
Historic buildings and premises costs	337,358	41,460	378,818
Visitor operations	243,861	51,482	295,343
Abbot Hall Project	1,116	204	1,320
Windermere Jetty Project	4,535	830	5,365
NLHF Resilience Project	8,917	1,630	10,547
National Lottery Heritage Emergency Fund	194,277	35,525	229,802
Art Fund	11,557	2,113	13,670
Garfield Weston Foundation	6,323	1,156	7,479
	<u>1,247,622</u>	<u>275,652</u>	<u>1,523,274</u>
	Activity undertaken directly £	Activity support costs £	2020 £
Exhibition programmes	265,936	64,744	330,680
Collections and conservation of exhibits	265,176	62,169	327,345
Learning	215,460	62,624	278,084
Historic buildings and premises costs	625,532	56,979	682,511
Visitor operations	362,630	69,987	432,617
Abbot Hall Project	19,479	18,537	38,016
Windermere Jetty Project	2,274	18,537	20,811
NLHF Resilience Project	114,616	18,537	133,153
	<u>1,871,103</u>	<u>372,114</u>	<u>2,243,217</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

	Unrestricted funds General £	Restricted funds £	Total 2021 £
Exhibition programmes	180,884	1,925	182,809
Collections and conservation of exhibits	157,045	70,736	227,781
Learning	168,340	2,000	170,340
Historic buildings and premises costs	358,647	20,171	378,818
Visitor operations	295,343	-	295,343
Windermere Jetty Project	830	4,535	5,365
Abbot Hall Project	204	1,116	1,320
NLHF Resilience Project	1,630	8,917	10,547
National Lottery Heritage Emergency Fund	35,525	194,277	229,802
Art Fund	2,113	11,557	13,670
Garfield Weston Foundation	1,156	6,323	7,479
	<u>1,201,717</u>	<u>321,557</u>	<u>1,523,274</u>
	Unrestricted funds General £	Restricted funds £	Total 2020 £
Exhibition programmes	312,208	18,472	330,680
Collections and conservation of exhibits	257,450	69,895	327,345
Learning	278,084	-	278,084
Historic buildings and premises costs	490,501	192,010	682,511
Visitor operations	432,617	-	432,617
Windermere Jetty Project	18,537	2,274	20,811
Abbot Hall Project	18,537	19,479	38,016
NLHF Resilience Project	18,537	114,616	133,153
	<u>1,826,471</u>	<u>416,746</u>	<u>2,243,217</u>

In addition to the expenditure analysed above, there are also governance costs of £31,693 (2020 - £65,797) which relate directly to charitable activities. See note 10 for further details.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

10 Analysis of governance and support costs

Governance costs

	Unrestricted		(As restated)
	General	Total	Total
	£	2021	2020
		£	£
Staff costs			
Pension costs	13,300	13,300	15,000
Compensation payments	-	-	17,862
Audit fees			
Audit and other fees paid to auditors	17,321	17,321	17,226
Trustees remuneration and expenses	-	-	327
Legal fees	-	-	830
Loan interest	1,072	1,072	14,552
	<u>31,693</u>	<u>31,693</u>	<u>65,797</u>

11 Net incoming/outgoing resources

Net incoming resources for the year include:

	2021	2020
	£	£
Audit fees	15,302	14,631
Depreciation of fixed assets	<u>43,168</u>	<u>200,474</u>

12 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any other benefits from the charity during the year.

Donations made by the trustees without any conditions attached totalled £1,171 for the year (2020 - £Nil).

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

13 Staff costs

The aggregate payroll costs were as follows:

	2021 £	(As restated) 2020 £
Staff costs during the year were:		
Wages and salaries	1,159,463	1,568,613
Social security costs	83,219	121,172
Pension costs	35,044	44,629
Compensation payments	-	17,862
	<u>1,277,726</u>	<u>1,752,276</u>

The monthly average number of persons (including senior management team) employed by the group during the year expressed as full time equivalents was as follows:

	2021 No	2020 No
Management, curatorial, marketing and learning	20	20
Administration	6	6
Desk/shop staff	5	5
Coffee House & Tea Room	11	11
Other	2	2
Heritage boat team	3	3
Boat conservation team	6	6
	<u>53</u>	<u>53</u>

The average number of employees in the year as defined by s382/383 of the Companies Act 2006 was 70 (2020 - 100).

The number of employees whose emoluments fell within the following bands was:

	2021 No	2020 No
£80,001 - £90,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the group were £331,936 (2020 - £287,358).

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

14 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>15,302</u>	<u>14,631</u>
Other fees to auditors		
The auditing of accounts of any associate of the charity	724	1,300
Audit-related assurance services	1,295	1,295
All other non-audit services	<u>-</u>	<u>5,077</u>
	<u>2,019</u>	<u>7,672</u>

The audit fees include provision of accountancy services for the preparation of group accounts.

15 Taxation

The group is a registered charity and is therefore exempt from taxation.

16 Tangible fixed assets

Group

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Asset in the course of construction £	Total £
Cost/Valuation					
At 1 April 2020	18,723,526	408,530	14,950	627,522	19,774,528
Revaluations	(1,311,705)	-	-	-	(1,311,705)
Additions	<u>36,179</u>	<u>73,707</u>	<u>19,533</u>	<u>8,005</u>	<u>137,424</u>
At 31 March 2021	<u>17,448,000</u>	<u>482,237</u>	<u>34,483</u>	<u>635,527</u>	<u>18,600,247</u>
Depreciation					
At 1 April 2020	158,213	315,097	14,950	-	488,260
Charge for the year	-	43,167	-	-	43,167
Transfers	<u>(158,213)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(158,213)</u>
At 31 March 2021	<u>-</u>	<u>358,264</u>	<u>14,950</u>	<u>-</u>	<u>373,214</u>
Net book value					
At 31 March 2021	<u>17,448,000</u>	<u>123,973</u>	<u>19,533</u>	<u>635,527</u>	<u>18,227,033</u>
At 31 March 2020	<u>18,565,313</u>	<u>93,433</u>	<u>-</u>	<u>627,522</u>	<u>19,286,268</u>

Included within the net book value of land and buildings above is £214,000 (2020 - £190,000) in respect of freehold land and buildings and £17,234,000 (2020 - £18,375,313) in respect of leaseholds.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

Revaluation

The fair value of the group's Land and buildings was revalued on 19 November 2021 by Edwin Thompson, Chartered Surveyors, an independent valuer.

The property was valued on an open market value basis.

Had this class of asset been measured on a historical cost basis, their carrying amount would have been £190,000 (2020 - £190,000).

The fair value of the group's Leasehold improvements was revalued on 24 November 2021 by Hyde Harrington, Chartered Surveyors, an independent valuer.

The property was valued on an Asset Valuation for the Existing Use. As properties of this nature are not generally traded in the market Depreciated Replacement Cost has been used to determine the Asset Value.

Had this class of asset been measured on a historical cost basis, their carrying amount would have been £18,759,705 (2020 - £18,723,526).

Charity

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Asset in the course of construction £	Total £
Cost/Valuation					
At 1 April 2020	18,723,526	408,530	14,950	627,522	19,774,528
Revaluations	(1,311,705)	-	-	-	(1,311,705)
Additions	36,179	73,707	19,533	8,005	137,424
At 31 March 2021	17,448,000	482,237	34,483	635,527	18,600,247
Depreciation					
At 1 April 2020	158,213	315,097	14,950	-	488,260
Charge for the year	-	43,167	-	-	43,167
Transfers	(158,213)	-	-	-	(158,213)
At 31 March 2021	-	358,264	14,950	-	373,214
Net book value					
At 31 March 2021	17,448,000	123,973	19,533	635,527	18,227,033
At 31 March 2020	18,565,313	93,433	-	627,522	19,286,268

Included within the net book value of land and buildings above is £214,000 (2020 - £190,000) in respect of freehold land and buildings and £17,234,000 (2020 - £18,375,313) in respect of leaseholds.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

17 Heritage assets

Group

Heritage assets not recognised in the balance sheet

From 1 August 2013 the charitable company entered into a Loan and Management Agreement with the owner of the collections, Lakeland Arts Trust under which all responsibilities in relation to the collections including acquisition, disposal, preservation and management, transferred to Lakeland Arts.

Lakeland Arts maintains a full inventory of all the collections held. This includes location and movements in and out of works of art and museum objects which, from time to time, may be loaned to/from other museums and galleries.

Due to the requirements of our funders, the WJM Boat Collection was recognised in our accounts. For the purposes of consistency, in the accounts for the year to 31st March 21, Lakeland Arts has reverted to the previous treatment of Heritage Assets and no longer recognises the boat collection on the Balance Sheet. The value of the Boat Collection has been written off to recognise this change in treatment of these assets.

Summary of transactions

	2021 £	2020 £	2019 £	2017 £	2016 £
Purchases and additions					
Books	-	-	-	-	2,500
Furniture	-	25,000	-	20,000	-
Textiles	-	-	-	1,062	-
Drawings	-	10	15,300	-	-
Donations					
Ceramics	-	-	-	-	2,750
Costume	-	-	-	-	700
Drawings	-	1,260	-	100	-
Engravings	-	500	-	-	-
Ephemera	-	155	-	-	270
Industrial history	-	240	-	100	-
Paintings	214,000	-	40,000	1,260,000	148,500
Photographs	3,100	-	-	-	-
Sculpture	750,000	-	-	-	-
Social history	100	-	170	250	865
Maritime	16,000	100	45,200	-	-
Furniture	-	3,000	-	-	-
Horology	-	500	-	-	-
Total additions	983,200	30,765	100,670	1,281,512	155,585

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

Charity

Heritage assets not recognised in the balance sheet

The permanent collections are held by Lakeland Arts Trust.

Lakeland Arts Trust's Collection of Works of Art and Museum Exhibits

The principal areas of the collection are:

- Eighteenth century furniture, British landscape and portrait paintings, with a particularly strong group of works by George Romney;
- Eighteenth and nineteenth century watercolours, including an exceptional group by John Ruskin, four major works by JMW Turner and a number of other key works, many of which relate to the Lake District;
- Twentieth century and contemporary British art, with sculpture by figures such as Jean Arp, Barbara Hepworth and Elizabeth Frink, as well as work by many of the leading painters including Samuel Peploe, Ben and Winifred Nicholson, a strong group of St Ives work, Kurt Schwitters, Stanley Spencer, Graham Sutherland, John Piper, Ivon Hitchens, Frank Auerbach, Paula Rego, Bridget Riley and Sean Scully;
- Strong holding of prints by such names as Henry Moore, David Hockney and Lucian Freud;
- Material relating to the social and industrial history of the Lake District and Kendal. This includes nineteenth and twentieth century photographs, Lake District crafts, rural trades and industries and domestic and shop interiors. There is important material relating to the author Arthur Ransome, Annie Garnett's early twentieth century textiles made at the Spinnery in Bowness and arts and crafts furniture by Arthur Simpson of Kendal and other regional makers;
- Material relating to M.H. Baillie Scott including furniture, books and published designs, archive material relating to the history of Blackwell, Arts & Crafts furniture and a small number of objects by Arts & Crafts designers and/or makers shown principally at Blackwell The Arts and Crafts House;
- Small collection of studio ceramics;
- Over 40 boats and a large collection of smaller objects relating to boats and boating on Lake Windermere. The collection is acknowledged to be one of the most important collections of vessels generic to one location worldwide and to reflect important themes in technical, social and economic history. The Pattinson Collection, named after the founder of the Museum Mr G.H. Pattinson, was augmented and added to by the collection of the Windermere Nautical Trust and covers many aspects of boating on Windermere including wooden steam launches, motor boats, yachts and canoes. Eleven boats were transferred to the Lakeland Arts Trust through H.M. Government's Acceptance in Lieu Scheme in 2007.

Acquisitions

Potential acquisitions, which may be purchased or gifted, must meet the requirements laid out in the charitable company's Collections Development Policy (2017).

Disposals

By definition, the Lakeland Arts Trust has a long-term purpose and holds collections in trust for society in relation to its stated objectives. The Trustees therefore accept the principle that sound curatorial reasons for disposal must be established before consideration is given to the disposal of any items in Lakeland Arts collections. The disposal policy is detailed in Lakeland Arts' Collections Development Policy (2017).

Preservation and Management

Lakeland Arts Trust was first awarded MLA Accreditation status in 2009 and following the award Abbot Hall, Blackwell and the Lakeland Museum entered into a planned timetable of collections preservation, care and management. Accreditation is now operated by Arts Council England. Windermere Jetty Museum applied for 'Working Towards Accreditation' status (WTA) when it opened to the public in 2019.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

In 2010 some of the principal objects in the collection were valued by Sotheby's. The valuation was carried out specifically to inform a risk management exercise which resulted in a review of the insured values and risks for the collection. For the purpose of reinstatement the value of all of the charitable company's Heritage assets, including buildings and land is estimated as £62.7m.

18 Fixed asset investments

Group

	2021 £	2020 £
Investment properties	286,000	355,000
Other investments	621,838	659,041
	<u>907,838</u>	<u>1,014,041</u>

Investment properties

	Investment properties £
Cost or Valuation	
At 1 April 2020	355,000
Revaluation	<u>(69,000)</u>
At 31 March 2021	286,000
Provision	
At 31 March 2021	<u>-</u>
Net book value	
At 31 March 2021	<u>286,000</u>
At 31 March 2020	<u>355,000</u>

The investment properties were valued in 2021 by Edwin Thompson, Chartered Surveyors, on an open market value basis.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 April 2020	659,041	659,041
Revaluation	112,600	112,600
Disposals	(149,803)	(149,803)
At 31 March 2021	<u>621,838</u>	<u>621,838</u>
Net book value		
At 31 March 2021	<u>621,838</u>	<u>621,838</u>
At 31 March 2020	<u>659,041</u>	<u>659,041</u>

Charity

	2021 £	2020 £
Investment properties	286,000	355,000
Shares in group undertakings and participating interests	2	2
Other investments	-	37,638
	<u>286,002</u>	<u>392,640</u>

Investment properties

	Investment properties £
Cost or Valuation	
At 1 April 2020	355,000
Revaluation	<u>(69,000)</u>
At 31 March 2021	286,000
Provision	
At 31 March 2021	<u>-</u>
Net book value	
At 31 March 2021	<u>286,000</u>
At 31 March 2020	<u>355,000</u>

The investment properties were valued in 2021 by Edwin Thompson, Chartered Surveyors, on an open market value basis.

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2020	2	2
At 31 March 2021	2	2
Net book value		
At 31 March 2021	2	2
At 31 March 2020	2	2

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 April 2020	37,638	37,638
Revaluation	5,150	5,150
Disposals	(42,788)	(42,788)
At 31 March 2021	-	-
Net book value		
At 31 March 2021	-	-
At 31 March 2020	37,638	37,638

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2021	2020	
Subsidiary undertakings					
Lakeland Arts Enterprises Ltd	England	Ordinary	100%	100%	Operating tea rooms and gift shops

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

19 Stock

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Finished goods	<u>33,397</u>	<u>36,451</u>	<u>-</u>	<u>-</u>

20 Debtors

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	14,283	167,699	13,994	166,815
Due from group undertakings	-	-	273,363	224,272
Prepayments	24,079	32,460	24,079	32,460
Accrued income	47,189	5,276	47,189	5,276
VAT recoverable	20,652	18,708	20,348	17,461
Other debtors	<u>14,996</u>	<u>13,782</u>	<u>14,996</u>	<u>13,782</u>
	<u>121,199</u>	<u>237,925</u>	<u>393,969</u>	<u>460,066</u>

21 Cash and cash equivalents

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Cash on hand	3,255	3,398	3,255	3,398
Cash at bank	236,865	57,074	236,721	56,784
Short-term deposits	<u>391,532</u>	<u>353</u>	<u>384,967</u>	<u>-</u>
	<u>631,652</u>	<u>60,825</u>	<u>624,943</u>	<u>60,182</u>

22 Creditors: amounts falling due within one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Bank loans	9,167	-	9,167	-
Trade creditors	277,426	714,638	274,991	685,342
Other loans	-	300,000	-	300,000
Other taxation and social security	23,320	24,584	23,320	24,584
Other creditors	26,266	9,046	25,115	9,045
Accruals	26,936	17,888	20,176	13,273
Deferred income	<u>13,194</u>	<u>13,194</u>	<u>13,194</u>	<u>13,194</u>
	<u>376,309</u>	<u>1,079,350</u>	<u>365,963</u>	<u>1,045,438</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

Deferred income

	2021 £	2020 £
Deferred income at 1 April 2020	13,194	84,988
Resources deferred in the period	13,194	13,194
Amounts released from previous periods	<u>(13,194)</u>	<u>(84,988)</u>
Deferred income at year end	<u>13,194</u>	<u>13,194</u>

	2021 £	2020 £
Deferred income at 1 April 2020	13,194	84,988
Resources deferred in the period	13,194	13,194
Amounts released from previous periods	<u>(13,194)</u>	<u>(84,988)</u>
Deferred income at year end	<u>13,194</u>	<u>13,194</u>

23 Creditors: amounts falling due after one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Bank loans	40,833	-	40,833	-
Other loans	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>
	<u>1,240,833</u>	<u>1,200,000</u>	<u>1,240,833</u>	<u>1,200,000</u>

Charity

Included in the creditors are the following amounts due after more than five years:

	2021 £	2020 £
After more than five years not by instalments	<u>1,200,000</u>	<u>1,200,000</u>

Borrowings due after five years

The HLF loan is secured on the Windermere Jetty Museum.

Lakeland Arts executive team has created a 5 year financial forecast, which is based upon best current information. The financial forecast currently demonstrates that the HLF Loan will begin to be repaid in 24/25.

24 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £21,744 (2020 - £Nil).

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

Defined benefit pension schemes

Cumbria Local Government Pension Scheme

Lakeland Arts Trust is a member of the Cumbria Local Government Pension Scheme. This is a multi-employer scheme and the figures in these accounts are from the latest Mercer report on Lakeland Arts Trust's share of the scheme. This is the first year that the Mercer's reports have been received since the scheme became live again following the introduction of a new employee to the scheme.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2021 £	2020 £
Fair value of scheme assets	1,422,000	1,237,000
Present value of defined benefit obligation	<u>(1,858,000)</u>	<u>(1,729,000)</u>
Defined benefit pension scheme deficit	<u>(436,000)</u>	<u>(492,000)</u>

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2021 £
Present value at start of year	(1,729,000)
Current service cost	(2,000)
Interest cost	(42,000)
Actuarial gains and losses	(152,000)
Benefits paid	<u>67,000</u>
Present value at end of year	<u>(1,858,000)</u>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2021 £
Fair value at start of year	1,237,000
Interest income	29,000
Actuarial gains and losses	208,000
Employer contributions	15,000
Benefits paid	<u>(67,000)</u>
Fair value at end of year	<u>1,422,000</u>

Analysis of assets

The major categories of scheme assets are as follows:

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

	2021 £	2020 £
Cash and cash equivalents	58,000	59,000
Equity instruments	546,000	573,000
Government bonds	250,000	226,000
Property	114,000	73,000
Other bonds	-	82,000
Other	454,000	224,000
	<u>1,422,000</u>	<u>1,237,000</u>

Return on scheme assets

	2021 £	2020 £
Return on scheme assets	<u>237,000</u>	<u>(47,000)</u>

The pension scheme has not invested in any of the group's own financial instruments or in properties or other assets used by the group.

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2021 %	2020 %
Mortality rate	1.75	1.75
Discount rate	2.10	2.40
Future salary increases	4.20	3.60
Future pension increases	2.80	2.20
Inflation	<u>2.70</u>	<u>2.10</u>

Post retirement mortality assumptions

	2021 Years	2020 Years
Current UK pensioners at retirement age - male	23.00	23.00
Current UK pensioners at retirement age - female	25.00	25.00
Future UK pensioners at retirement age - male	24.00	24.00
Future UK pensioners at retirement age - female	<u>27.00</u>	<u>27.00</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

25 Funds

Group

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
Unrestricted funds						
<i>General</i>						
General funds	(152,676)	2,348,697	(1,855,644)	48,488	(33,555)	355,310
<i>Designated</i>						
Pension scheme deficit	(492,000)	-	(13,300)	13,301	56,000	(435,999)
Total unrestricted funds	(644,676)	2,348,697	(1,868,944)	61,789	22,445	(80,689)
Restricted funds						
Windermere Jetty Construction	18,375,314	-	-	36,179	(1,177,493)	17,234,000
Windermere Jetty Capital Funds	-	285,247	(4,535)	-	-	280,712
NLHF loan	(1,200,000)	-	-	-	-	(1,200,000)
Blackwell Endowment	-	20,171	(20,171)	-	-	-
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Abbot Hall Redevelopment	741,044	4,542	(1,116)	-	-	744,470
National Lottery Fund, Resilient Heritage	6,314	-	(8,917)	2,603	-	-
The Japan Society	-	750	(750)	-	-	-
Cumbria Community Foundation	-	1,175	(1,175)	-	-	-
The John Ellerman Foundation	-	31,667	(31,667)	-	-	-
The Pilgrim Trust	-	8,341	(8,341)	-	-	-
The Headley Trust	-	15,000	(15,000)	-	-	-
BESTT	-	12,728	(12,728)	-	-	-
NHLF	-	250,000	(194,277)	-	-	55,723
Art Fund	-	44,895	(11,557)	-	-	33,338
Garfield Weston Foundation	-	200,000	(6,323)	584	-	194,261
Granada Foundation	-	2,000	(2,000)	-	-	-
Clore Duffield Foundation	-	20,000	-	-	-	20,000
Kendal Town Council	-	3,000	(3,000)	-	-	-
Total restricted funds	17,923,835	899,516	(321,557)	39,366	(1,177,493)	17,363,667

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
<i>Permanent</i>						
Blackwell Endowment	<u>585,000</u>	<u>-</u>	<u>-</u>	<u>(101,155)</u>	<u>101,155</u>	<u>585,000</u>
Total funds	<u>17,864,159</u>	<u>3,248,213</u>	<u>(2,190,501)</u>	<u>-</u>	<u>(1,053,893)</u>	<u>17,867,978</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2020 £ (As restated)
Unrestricted funds						
<i>General</i>						
General funds	(1,802,982)	2,304,308	(3,113,746)	2,453,943	5,801	(152,676)
Prior year adjustment	<u>(5,281)</u>	<u>-</u>	<u>-</u>	<u>5,281</u>	<u>-</u>	<u>-</u>
	<u>(1,808,263)</u>	<u>2,304,308</u>	<u>(3,113,746)</u>	<u>2,459,224</u>	<u>5,801</u>	<u>(152,676)</u>
<i>Designated</i>						
Pension scheme deficit	(458,252)	-	(15,000)	(57,748)	39,000	(492,000)
Prior year adjustment pension scheme	<u>(104,748)</u>	<u>-</u>	<u>-</u>	<u>104,748</u>	<u>-</u>	<u>-</u>
	<u>(563,000)</u>	<u>-</u>	<u>(15,000)</u>	<u>47,000</u>	<u>39,000</u>	<u>(492,000)</u>
Total unrestricted funds	<u>(2,371,263)</u>	<u>2,304,308</u>	<u>(3,128,746)</u>	<u>2,506,224</u>	<u>44,801</u>	<u>(644,676)</u>
Restricted funds						
Windermere Jetty Construction	17,864,731	889,149	(160,487)	(218,079)	-	18,375,314
Windermere Boat Collection	1,213,047	-	-	(1,213,047)	-	-
Prior year adjustment	<u>(1,213,047)</u>	<u>-</u>	<u>-</u>	<u>1,213,047</u>	<u>-</u>	<u>-</u>
NLHF loan	-	-	-	(1,200,000)	-	(1,200,000)
Blackwell Endowment	-	33,797	(33,797)	-	-	-
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Exhibitions & Collections Funds	-	3,000	(3,000)	-	-	-
Abbot Hall Redevelopment	670,824	182,951	(19,479)	(93,252)	-	741,044
National Lottery Fund, Resilient Heritage	-	176,780	(114,616)	(55,850)	-	6,314
Art Fund grant for collection	-	7,500	(7,500)	-	-	-
National Heritage Memorial Fund - collection	-	16,700	(16,700)	-	-	-
The John Ellerman Foundation	-	18,472	(18,472)	-	-	-
The Pilgrim Trust	-	16,659	(16,659)	-	-	-
The Headley Trust	-	25,000	(25,000)	-	-	-
BESTT	<u>-</u>	<u>4,036</u>	<u>(4,036)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total restricted funds	<u>18,536,718</u>	<u>1,374,044</u>	<u>(419,746)</u>	<u>(1,567,181)</u>	<u>-</u>	<u>17,923,835</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2020 £ (As restated)
<i>Permanent</i>						
Blackwell Endowment	1,131,072	-	-	(546,403)	331	585,000
<i>Expendable</i>						
General Endowment	<u>394,360</u>	<u>-</u>	<u>-</u>	<u>(392,640)</u>	<u>(1,720)</u>	<u>-</u>
	<u>394,360</u>	<u>-</u>	<u>-</u>	<u>(392,640)</u>	<u>(1,720)</u>	<u>-</u>
Total endowment funds	<u>1,525,432</u>	<u>-</u>	<u>-</u>	<u>(939,043)</u>	<u>(1,389)</u>	<u>585,000</u>
Total funds	<u>17,690,887</u>	<u>3,678,352</u>	<u>(3,548,492)</u>	<u>-</u>	<u>43,412</u>	<u>17,864,159</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

Charity

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
Unrestricted funds						
<i>General</i>						
General funds	29,883	2,167,166	(1,556,348)	(39,366)	(39,850)	561,485
Restricted funds						
Windermere Jetty Construction	18,375,313	-	-	36,180	(1,177,493)	17,234,000
Windermere Jetty Capital Funds	-	285,247	(4,535)	-	-	280,712
HLF loan	(1,200,000)	-	-	-	-	(1,200,000)
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Abbot Hall Redevelopment	741,044	4,542	(1,116)	-	-	744,470
Heritage Lottery Fund Resilience	6,314	-	(8,917)	2,603	-	-
The Japan Society	-	750	(750)	-	-	-
Cumbria Community Foundation	-	1,175	(1,175)	-	-	-
The John Ellerman Foundation	-	31,667	(31,667)	-	-	-
The Pilgrim Trust - for conservation	-	8,341	(8,341)	-	-	-
The Headley Trust	-	15,000	(15,000)	-	-	-
BESTT	-	12,728	(12,728)	-	-	-
NHLF	-	250,000	(194,277)	-	-	55,723
Art Fund	-	44,895	(11,557)	-	-	33,338
Garfield Weston Foundation	-	200,000	(6,323)	583	-	194,260
Granada Foundation	-	2,000	(2,000)	-	-	-
Clore Duffield Foundation	-	20,000	-	-	-	20,000
Kendal Town Council	-	3,000	(3,000)	-	-	-
Total restricted funds	<u>17,923,834</u>	<u>879,345</u>	<u>(301,386)</u>	<u>39,366</u>	<u>(1,177,493)</u>	<u>17,363,666</u>
Total funds	<u>17,953,717</u>	<u>3,046,511</u>	<u>(1,857,734)</u>	<u>-</u>	<u>(1,217,343)</u>	<u>17,925,151</u>

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Notes to the Financial Statements for the Year Ended 31 March 2021

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2020 £ (As restated)
Unrestricted funds						
<i>General</i>						
General funds	(1,744,021)	2,174,748	(2,366,466)	1,959,821	5,801	29,883
Restricted funds						
Windermere Jetty Construction	17,864,730	889,149	(160,487)	(218,079)	-	18,375,313
Windermere Boat Collection	1,213,047	-	-	(1,213,047)	-	-
Prior year adjustment	(1,213,047)	-	-	1,213,047	-	-
HLF loan	-	-	-	(1,200,000)	-	(1,200,000)
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Exhibitions & Collections funds	-	3,000	(3,000)	-	-	-
Abbot Hall Redevelopment	670,824	182,951	(19,479)	(93,252)	-	741,044
Heritage Lottery Fund Resilience	-	176,780	(114,616)	(55,850)	-	6,314
Art Fund grant for collection	-	7,500	(7,500)	-	-	-
National Heritage Memorial Fund - for collection	-	16,700	(16,700)	-	-	-
The John Ellerman Foundation	-	18,472	(18,472)	-	-	-
The Pilgrim Trust - for conservation	-	16,659	(16,659)	-	-	-
The Headley Trust	-	25,000	(25,000)	-	-	-
BESTT	-	4,036	(4,036)	-	-	-
Total restricted funds	18,536,717	1,340,247	(385,949)	(1,567,181)	-	17,923,834
<i>Expendable</i>						
General endowment	394,360	-	-	(392,640)	(1,720)	-
	394,360	-	-	(392,640)	(1,720)	-
Total funds	17,187,056	3,514,995	(2,752,415)	-	4,081	17,953,717

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

26 Analysis of net assets between funds

Group

	Unrestricted funds		Restricted funds	Endowment funds	Total funds
	General	Designated	funds	Expendable	at 31 March
	£	£	£	£	2021
Tangible fixed assets	357,506	-	17,869,527	-	18,227,033
Fixed asset investments	322,838	-	-	585,000	907,838
Current assets	92,108	-	694,140	-	786,248
Current liabilities	(376,309)	-	-	-	(376,309)
Creditors over 1 year	(40,833)	-	(1,200,000)	-	(1,240,833)
Pension scheme liability	-	(435,999)	-	-	(435,999)
Total net assets	355,310	(435,999)	17,363,667	585,000	17,867,978

	Unrestricted funds		Restricted funds	Endowment funds	Total funds
	General	Designated	funds	Expendable	at 31 March
	£	£	£	£	2020
Tangible fixed assets	283,382	-	19,002,885	-	19,286,267
Fixed asset investments	429,041	-	-	585,000	1,014,041
Current assets	214,251	-	120,950	-	335,201
Current liabilities	(1,079,350)	-	-	-	(1,079,350)
Creditors over 1 year	-	-	(1,200,000)	-	(1,200,000)
Pension scheme liability	-	(492,000)	-	-	(492,000)
Total net assets	(152,676)	(492,000)	17,923,835	585,000	17,864,159

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Notes to the Financial Statements for the Year Ended 31 March 2021

Charity

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2021 £
Tangible fixed assets	357,506	17,869,527	18,227,033
Fixed asset investments	286,002	-	286,002
Current assets	324,773	694,139	1,018,912
Current liabilities	(365,963)	-	(365,963)
Creditors over 1 year	(40,833)	(1,200,000)	(1,240,833)
Total net assets	<u>561,485</u>	<u>17,363,666</u>	<u>17,925,151</u>
	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2020 £
Tangible fixed assets	283,382	19,002,885	19,286,267
Fixed asset investments	392,640	-	392,640
Current assets	399,299	120,949	520,248
Current liabilities	(1,045,438)	-	(1,045,438)
Creditors over 1 year	-	(1,200,000)	(1,200,000)
Total net assets	<u>29,883</u>	<u>17,923,834</u>	<u>17,953,717</u>

27 Analysis of net funds

Group

	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	60,825	550,827	611,652
Debt due within one year	(300,000)	290,833	(9,167)
Debt due after more than one year	(1,200,000)	(40,833)	(1,240,833)
Net debt	<u>(1,439,175)</u>	<u>800,827</u>	<u>(638,348)</u>
	At 1 April 2019 £	Financing cash flows £	At 31 March 2020 £
Cash at bank and in hand	182,601	(121,776)	60,825
Debt due within one year	(400,000)	100,000	(300,000)
Debt due after more than one year	-	(1,200,000)	(1,200,000)
Net debt	<u>(217,399)</u>	<u>(1,221,776)</u>	<u>(1,439,175)</u>

Lakeland Arts

Notes to the Financial Statements for the Year Ended 31 March 2021

28 Related party transactions

Group

During the year the group made the following related party transactions:

Gilbert Gilkes & Gordon Ltd

Charles Crewdson, Trustee, is a Director and Shareholder of Gilbert Gilkes & Gordon Ltd. During 2019 Gilbert Gilkes & Gordon Ltd advanced a bridging loan of £400,000 to the charity. The interest charged in the year was £14,552 (2019 - £5,130 set up charge).

At the balance sheet date the amount due to/from from Gilbert Gilkes & Gordon Ltd was £Nil (2020 - £300,000).

The loan was repaid in September 2020.