

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**

<b>Trustees</b>	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
<b>Secretary</b>	C Kennedy
<b>Senior Management / Leadership Team</b>	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
<b>Charity Registration Number</b>	1153001
<b>Company Registration Number</b>	8162578
<b>Registered Office</b>	The charity is incorporated in England.
	Abbot Hall Gallery
	Kirkland
	Kendal LA9 5AL
<b>Auditor</b>	Stables Thompson & Briscoe
	Chartered Accountants & Statutory Auditor
	Lowther House
	Lowther Street
	Kendal LA9 4DX
<b>Solicitors</b>	Baines Wilson
	Unit 3 Lancaster Business Park
	10 Mannin Way
	Lancaster
	LA1 3SW
<b>Bankers</b>	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.

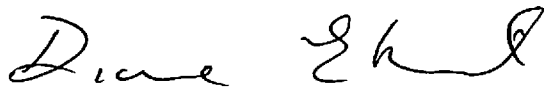
The trustees review these risks on an ongoing basis and satisfy themselves that adequate systems and procedures are in place to manage the risks identified. Where appropriate, risks are covered by insurance. The following framework is central to ensuring adequate risk management:

- 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)**

<b>Borrowing Institution</b>	<b>Quantity</b>
The Lightbox, Woking	1
<b>TOTAL</b>	<b>1</b>

##### **Exhibition Loans Outgoing (rest of UK)**

<b>Borrowing Institution</b>	<b>Quantity</b>
None	-
<b>TOTAL</b>	<b>-</b>

##### **Exhibition Loans Outgoing (International)**

<b>Borrowing Institution</b>	<b>Quantity</b>
Bundeskunsthalle, Germany	1
Kestner Gesellschaft, Germany	3
<b>TOTAL</b>	<b>4</b>

## **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.

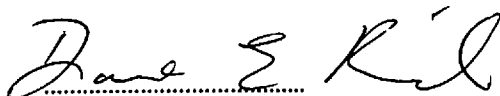
The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible 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 £
<b>Income and Endowments from:</b>					
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
<b>Total income</b>		<b>2,575,109</b>	<b>228,545</b>	<b>-</b>	<b>2,803,654</b>
<b>Expenditure on:</b>					
Raising funds	8	(1,158,876)	-	-	(1,158,876)
Charitable activities	9	(1,546,573)	(563,533)	-	(2,110,106)
<b>Total expenditure</b>		<b>(2,705,449)</b>	<b>(563,533)</b>	<b>-</b>	<b>(3,268,982)</b>
Gains/losses on investment assets		14,622	-	(37,140)	(22,518)
<b>Net expenditure</b>		<b>(115,718)</b>	<b>(334,988)</b>	<b>(37,140)</b>	<b>(487,846)</b>
Transfers between funds		(40,987)	40,987	-	-
<b>Other recognised gains and losses</b>					
Gains/losses on revaluation of fixed assets		(64,000)	-	-	(64,000)
Actuarial gains on defined benefit pension schemes		315,000	-	-	315,000
<b>Net movement in funds</b>		<b>94,295</b>	<b>(294,001)</b>	<b>(37,140)</b>	<b>(236,846)</b>
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>		<b>(21,381)</b>	<b>16,312,588</b>	<b>585,000</b>	<b>16,876,207</b>
<b>Total funds carried forward</b>	25	<b>72,914</b>	<b>16,018,587</b>	<b>547,860</b>	<b>16,639,361</b>

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 £
<b>Income and Endowments from:</b>					
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>
<b>Expenditure on:</b>					
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)
<b>Other recognised gains and losses</b>					
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)
<b>Reconciliation of funds</b>					
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>

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.

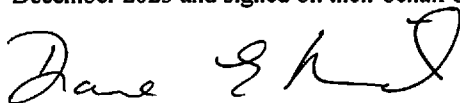
# Lakeland Arts

(Registration number: 8162578)

## Consolidated Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
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>
<b>Current assets</b>			
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
<b>Creditors: Amounts falling due within one year</b>	22	<u>(272,303)</u>	<u>(263,662)</u>
<b>Net current assets</b>		<u>60,758</u>	<u>321,684</u>
<b>Total assets less current liabilities</b>		17,902,246	18,460,395
<b>Creditors: Amounts falling due after more than one year</b>	23	<u>(1,240,885)</u>	<u>(1,244,188)</u>
<b>Net assets excluding pension liability</b>		16,661,361	17,216,207
<b>Pension scheme liability</b>	24	<u>(22,000)</u>	<u>(340,000)</u>
<b>Net assets including pension liability</b>		<u>16,639,361</u>	<u>16,876,207</u>
<b>Funds of the group:</b>			
<b>Endowment funds</b>		547,860	585,000
<b>Restricted income funds</b>			
Restricted funds	25	16,018,588	16,312,589
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>72,913</u>	<u>(21,382)</u>
<b>Total funds</b>	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)
<b>Fixed assets</b>			
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>
<b>Current assets</b>			
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
<b>Creditors: Amounts falling due within one year</b>	22	<u>(234,021)</u>	<u>(233,502)</u>
<b>Net current assets</b>		<u>213,437</u>	<u>517,236</u>
<b>Total assets less current liabilities</b>		17,478,694	18,019,222
<b>Creditors: Amounts falling due after more than one year</b>	23	<u>(1,240,885)</u>	<u>(1,244,188)</u>
<b>Net assets including pension liability</b>		<u>16,237,809</u>	<u>16,775,034</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds	25	16,018,587	16,305,983
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>219,222</u>	<u>469,051</u>
<b>Total funds</b>	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 £
<b>Cash flows from operating activities</b>			
Net cash expenditure		(236,846)	(991,771)
<b>Adjustments to cash flows from non-cash items</b>			
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)
<b>Working capital adjustments</b>			
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>
<b>Cash flows from investing activities</b>			
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
<b>Cash flows from financing activities</b>			
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>
<b>Reconciliation of net cash flow to movement in net funds</b>			
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**

Freehold land and buildings

Leasehold land and buildings

Plant, equipment and fittings

##### **Depreciation method and rate**

Held at valuation, revalued every five years

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.

## **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**

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2023 £</b>	<b>Total 2022 £</b>
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
<b>Other grants and donations</b>				
<b>Core Grants</b>	£	£	£	£
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	-
<b>Covid-19 and Business Continuity Grants</b>				
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	-
<b>Programme/Project Grants</b>				
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
<b>Total for 2023</b>	<u>743,170</u>	<u>743,170</u>
<b>Total for 2022</b>	<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 £
<b>Staff costs during the year were:</b>		
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>
<b>Other fees to auditors</b>		
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 £
<b>Cost/Valuation</b>				
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>
<b>Depreciation</b>				
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>
<b>Net book value</b>				
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 £
<b>Cost/Valuation</b>				
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>
<b>Depreciation</b>				
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>
<b>Net book value</b>				
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 £
<b>Purchases and additions</b>					
Furniture	-	-	-	25,000	-
Drawings	-	17,344	-	10	15,300
Maritime	100	10,000	-	-	-
<b>Donations</b>					
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	-
<b>Total additions</b>	<b>7,615</b>	<b>193,160</b>	<b>983,200</b>	<b>30,765</b>	<b>100,670</b>

##### 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**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Investment properties	150,000	126,000
Other investments	576,233	636,727
	<u>726,233</u>	<u>762,727</u>

#### **Investment properties**

	<b>Investment properties £</b>
<b>Cost or Valuation</b>	
At 1 April 2022	126,000
Revaluation	<u>24,000</u>
At 31 March 2023	150,000
<b>Provision</b>	
At 31 March 2023	<u>-</u>
<b>Net book value</b>	
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 £
<b>Cost or Valuation</b>		
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>
<b>Net book value</b>		
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 £
<b>Cost or Valuation</b>	
At 1 April 2022	126,000
Revaluation	<u>24,000</u>
At 31 March 2023	150,000
<b>Provision</b>	
At 31 March 2023	<u>-</u>
<b>Net book value</b>	
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 £
<b>Cost</b>		
At 1 April 2022	2	2
At 31 March 2023	2	2
<b>Net book value</b>		
At 31 March 2023	2	2
At 31 March 2022	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
			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	30,482	35,773	-	-

## 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 £
<b>Unrestricted funds</b>						
<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>
<b>Total unrestricted funds</b>	<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>
<b>Restricted funds</b>						
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>
<b>Total restricted funds</b>	<b>16,312,589</b>	<b>228,545</b>	<b>(563,533)</b>	<b>40,987</b>	<b>-</b>	<b>16,018,588</b>

# 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 £
<b>Permanent</b>						
Blackwell Endowment	585,000	-	-	-	(37,140)	547,860
<b>Total funds</b>	<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 £
<b>Unrestricted funds</b>						
<b>General</b>						
General funds	355,310	2,595,787	(2,636,560)	(1,999)	6,080	318,618
<b>Designated</b>						
Pension scheme deficit	(435,999)	-	-	1,999	94,000	(340,000)
<b>Total unrestricted funds</b>	<u>(80,689)</u>	<u>2,595,787</u>	<u>(2,636,560)</u>	<u>-</u>	<u>100,080</u>	<u>(21,382)</u>
<b>Restricted funds</b>						
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
<b>Total restricted funds</b>	<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>
<b>Total funds</b>	<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 £
<b>Unrestricted funds</b>						
<i>General</i>						
General funds	469,051	1,900,954	(2,069,796)	(40,987)	(40,000)	219,222
<b>Restricted funds</b>						
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)	-	-	-
<b>Total restricted funds</b>	<u>16,305,983</u>	<u>235,150</u>	<u>(563,533)</u>	<u>40,987</u>	<u>-</u>	<u>16,018,587</u>
<b>Total funds</b>	<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 £
<b>Unrestricted funds</b>				
<i>General</i>				
General funds	561,485	2,029,951	(2,122,385)	469,051
<b>Restricted funds</b>				
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
<b>Total restricted funds</b>	<u>17,363,666</u>	<u>130,114</u>	<u>(1,187,797)</u>	<u>16,305,983</u>
<b>Total funds</b>	<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.