

Company registration number: 8162578

Charity registration number: 1153001

Lakeland Arts

(A company limited by guarantee)

Annual Report and Financial Statements

for the Lakeland Arts Group

for the Year Ended 31 March 2024

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

Lakeland Arts

Contents

Reference and Administrative Details	1 to 2
Strategic Report	3 to 5
Trustees' Report	6 to 22
Independent Auditors' Report	23 to 25
Consolidated Statement of Financial Activities	26 to 27
Consolidated Balance Sheet	28
Balance Sheet	29
Consolidated Statement of Cash Flows	30 to 31
Notes to the Financial Statements	32 to 70

Lakeland Arts

Reference and Administrative Details

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

Lakeland Arts

Reference and Administrative Details

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

Lakeland Arts

Strategic Report for the Year Ended 31 March 2024

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

Chair's Foreword Annual Report 23-24

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

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

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

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

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

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

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

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

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

Lakeland Arts

Strategic Report for the Year Ended 31 March 2024

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

Diane Reid

Chair, Lakeland Arts

FINANCIAL REVIEW

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

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

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

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

Policy on reserves

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

Principal funding sources

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

Investment policy and objectives

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

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

Lakeland Arts

Strategic Report for the Year Ended 31 March 2024

Principal risks and uncertainties

Major risks

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

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

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

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

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

- Governance
- Operational
- Financial
- Environmental
- Compliance.

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



.....
D Reid MCIOF
Chair and trustee

Lakeland Arts

Trustees' Report

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

Trustees and Officers

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

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

Lakeland Arts

Trustees' Report

Objectives and activities

Objects and aims

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

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

Strategic Objectives:

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

Strategic Objective 1: Curating and Caring

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

Strategic Objective 2: Reaching Wider

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

Strategic Objective 3: Engaging and Empowering

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

Strategic Objective 4: Sustainable and Resilient

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

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

Objectives, strategies and activities

Our Activities

Context

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

Lakeland Arts

Trustees' Report

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

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

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

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

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

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

Programming highlights

Exhibitions

BLACKWELL

Amy Williams, *Unearthed*, January-June 2023

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

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

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

Lakeland Arts

Trustees' Report

Halima Cassell: Reflections, July 2023-January 2024

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

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

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

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

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

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

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

Sublime Symmetry: William De Morgan, February 2024-ongoing

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

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

WINDERMERE JETTY MUSEUM

Forty Farms, March-June 2023

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

A series of photography workshops and talks accompanied the exhibition.

Lakeland Arts

Trustees' Report

LEGO Lake District, July-October 2023

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

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

Little LICAF, September-October 2023

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

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

Jocelyn McGregor, Dredged, October-December 2023

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

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

Microworld, January 2024-ongoing

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

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

ABBOT HALL

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

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

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

Lakeland Arts

Trustees' Report

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

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

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

Art Herbarium, February 2024-ongoing

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

Portrait Galleries, February 2024-ongoing

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

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

Gilbert Spencer, March 2024-ongoing

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

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

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

Claude Cahun, Beneath this mask, March 2024-ongoing

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

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

Lakeland Arts

Trustees' Report

Participation and learning

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

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

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

Windermere Science Festival

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

Forge Festival

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

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

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

The Land Within

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

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

CliMART

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

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

Lakeland Arts

Trustees' Report

MART Creatives

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

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

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

MEND

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

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

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

Collections and Displays

Acquisitions

There were six acquisitions into the Lakeland Arts collection:

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

Collection items loaned out

Exhibition Loans Outgoing (England)

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

Exhibition Loans Outgoing (rest of UK)

Borrowing Institution	Quantity
None	-
TOTAL	-

Exhibition Loans Outgoing (International)

Borrowing Institution	Quantity
TOTAL	-

Lakeland Arts

Trustees' Report

Collection care and documentation

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

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

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

Boat collection conservation

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

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

The project work has included:

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

Earned income

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

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

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

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

Heritage boat trips

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

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

Lakeland Arts

Trustees' Report

Catering

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

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

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

Retail

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

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

Events and private hire

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

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

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

Commercial boat conservation

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

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

Visitor experience

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

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

Lakeland Arts

Trustees' Report

Volunteering

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

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

Raised income

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

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

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

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

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

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

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

Marketing and Communications

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

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

Lakeland Arts

Trustees' Report

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

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

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

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

Capital projects, buildings, and estates

Abbot Hall

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

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

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

Lakeland Museum

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

Blackwell

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

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

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

Windermere Jetty Museum

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

Lakeland Arts

Trustees' Report

Property updates

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

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

Fundraising disclosures

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

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

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

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

Benefactors and Patrons

Benefactors (as at 31 March 2024):

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

Lakeland Arts

Trustees' Report

Patrons (as at 31 March 2024):

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

Public benefit

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

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

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

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

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

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

Lakeland Arts

Trustees' Report

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

Structure, governance and management

Nature of governing document

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

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

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

Recruitment and appointment of trustees

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

Key steps in the trustee recruitment process include:

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

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

Organisational structure

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

At these meetings, the trustees:

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

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

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

Lakeland Arts

Trustees' Report

Relationships with related parties

Lakeland Arts Trust

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

Lakeland Arts Enterprises Limited

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

Lakeland Arts Support Trust

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

Westmorland & Furness Council

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

Financial instruments

Objectives and policies

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

Credit risk

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

Lakeland Arts

Trustees' Report

Statement of trustees' responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to auditor

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

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



D Reid MCIOF
Chair and trustee

Lakeland Arts

Independent Auditor's Report to the Members of Lakeland Arts

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

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

Our opinion is not modified in respect of this matter.

Lakeland Arts

Independent Auditor's Report to the Members of Lakeland Arts

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

Lakeland Arts

Independent Auditor's Report to the Members of Lakeland Arts

As explained more fully in the Statement of trustees' responsibilities (set out on page 22), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

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

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

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

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

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

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



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

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

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

30 January 2025

Lakeland Arts

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

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

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

Lakeland Arts

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

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

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

The funds breakdown for 2023 is shown in note 27.

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

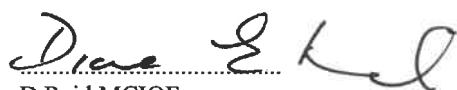
Lakeland Arts

(Registration number: 8162578)

Consolidated Balance Sheet as at 31 March 2024

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

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


D Reid MCIOF
Chair and trustee

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

Lakeland Arts

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

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

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



D Reid MCIOF
Chair and trustee

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

Lakeland Arts

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

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

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

Lakeland Arts

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

Reconciliation of net cash flow to movement in net funds

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

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

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

Lakeland Arts

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

1 Charity status

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

The principal place of business is:

Abbot Hall

Kendal

LA9 5AL

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

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Lakeland Arts meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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

Basis of consolidation

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

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

Lakeland Arts

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

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

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

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

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

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

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

Lakeland Arts

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

Going concern

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

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

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

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

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

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

Lakeland Arts

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

Prior period errors

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

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

Judgements

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

Key sources of estimation uncertainty

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

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Lakeland Arts

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

Donations and legacies

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

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

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

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

Deferred income

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

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

Gifts in kind

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

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

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

Other trading activities

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

Investment income

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

Lakeland Arts

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

Charitable activities

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

Expenditure

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

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

Raising funds
Fundraising trading
Charitable activities
Other

Raising funds

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

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

Charitable activities

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

Support costs

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

Governance costs

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

Taxation

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

Lakeland Arts

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

Tangible fixed assets

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

Heritage assets

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

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

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

Depreciation and amortisation

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

Asset class

Freehold land and buildings

Leasehold land and buildings

Plant, equipment and fittings

Depreciation method and rate

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

straight line over the term of the lease

straight line over 4 years

Research and development

Research and development expenditure is written off as incurred.

Investment properties

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

Lakeland Arts

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

Fixed asset investments

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

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

Stock

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

Trade debtors

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

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

Cash and cash equivalents

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

Trade creditors

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

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

Fund structure

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

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

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

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

Lakeland Arts

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

Pensions and other post retirement obligations

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

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

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

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

Financial instruments

Classification

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

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

Recognition and measurement

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

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

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

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

Lakeland Arts

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

Investments

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

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

3 Income from donations and legacies

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

Lakeland Arts

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

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

Lakeland Arts

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

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

4 Income from charitable activities

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

5 Income from other trading activities

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

Lakeland Arts

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

6 Investment income

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

7 Other income

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

Lakeland Arts

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

8 Expenditure on raising funds

a) Costs of generating donations and legacies

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

b) Costs of trading activities

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

Lakeland Arts

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

c) Investment management costs

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

d) Total expenditure on raising funds

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

Lakeland Arts

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

9 Expenditure on charitable activities

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

Lakeland Arts

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

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

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

Lakeland Arts

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

10 Analysis of governance and support costs

Governance costs

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

11 Net incoming/outgoing resources

Net outgoing resources for the year include:

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

12 Trustees remuneration and expenses

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

A Karwa

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

A M Lyles

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

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

Lakeland Arts

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

13 Staff costs

The aggregate payroll costs were as follows:

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

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

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

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

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

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

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

Lakeland Arts

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

14 Auditors' remuneration

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

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

15 Taxation

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

16 Tangible fixed assets

Group

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

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

Lakeland Arts

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

Revaluation

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

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

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

Charity

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

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

17 Heritage assets

Group

Heritage assets not recognised in the balance sheet

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

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

Lakeland Arts

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

Summary of transactions

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

Charity

Heritage assets not recognised in the balance sheet

The permanent collections are held by Lakeland Arts Trust.

Lakeland Arts

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

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

The principal areas of the collection are:

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

Acquisitions

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

Disposals

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

Preservation and Management

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

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

Lakeland Arts

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

18 Fixed asset investments

Group

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

Investment properties

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

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 April 2023	576,233	576,233
Revaluation	28,790	28,790
Additions	12,632	12,632
Disposals	<u>(190,850)</u>	<u>(190,850)</u>
At 31 March 2024	<u>426,805</u>	<u>426,805</u>
Net book value		
At 31 March 2024	<u>426,805</u>	<u>426,805</u>
At 31 March 2023	<u>576,233</u>	<u>576,233</u>

Lakeland Arts

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

Charity

	2024 £	2023 £
Investment properties	-	150,000
Shares in group undertakings and participating interests	<u>2</u>	<u>2</u>
	<u>2</u>	<u>150,002</u>

Investment properties

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

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2023	<u>2</u>	<u>2</u>
At 31 March 2024	<u>2</u>	<u>2</u>
Net book value		
At 31 March 2024	<u>2</u>	<u>2</u>
At 31 March 2023	<u>2</u>	<u>2</u>

Details of undertakings

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

Lakeland Arts

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

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2024	2023	
Subsidiary undertakings					
Lakeland Arts Enterprises Ltd	England	Ordinary	100%	100%	Operating tea rooms and gift shops

19 Stock

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Finished goods	24,986	30,482	-	-

20 Debtors

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	33,552	715	2,338	715
Due from group undertakings	-	-	20,618	161,864
Prepayments	128,127	108,566	128,126	108,509
Accrued income	193,375	12,608	193,375	12,608
VAT recoverable	7,233	13,080	5,524	13,527
Other debtors	2,811	1,824	2,811	1,824
	<u>365,098</u>	<u>136,793</u>	<u>352,792</u>	<u>299,047</u>

21 Cash and cash equivalents

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Cash on hand	32,267	9,422	32,267	9,422
Cash at bank	196,765	155,844	194,391	138,971
Short-term deposits	4,293	520	4,093	18
	<u>233,325</u>	<u>165,786</u>	<u>230,751</u>	<u>148,411</u>

Lakeland Arts

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

22 Creditors: amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Bank loans	6,256	7,410	6,256	7,410
Trade creditors	536,002	194,299	478,125	168,094
Hire purchase and finance leases	20,483	-	20,483	-
Other taxation and social security	30,381	23,717	30,381	23,717
Other creditors	12,034	20,784	12,034	20,784
Accruals	30,981	26,093	15,846	14,016
Deferred income	39,000	-	39,000	-
	<u>675,137</u>	<u>272,303</u>	<u>602,125</u>	<u>234,021</u>

Deferred income

	2024	2023
	£	£
Deferred income at 1 April 2023	-	13,194
Resources deferred in the period	39,000	-
Amounts released from previous periods	-	(13,194)
Deferred income at year end	<u>39,000</u>	<u>-</u>

	2024	2023
	£	£
Deferred income at 1 April 2023	-	13,194
Resources deferred in the period	39,000	-
Amounts released from previous periods	-	(13,194)
Deferred income at year end	<u>39,000</u>	<u>-</u>

23 Creditors: amounts falling due after one year

	Group		Charity	
	2024	2023	2024	2023
	£	£ (As restated)	£	£ (As restated)
Bank loans	35,674	40,885	35,674	40,885
Trade creditors	-	168,658	-	168,658
Other loans	1,200,000	1,200,000	1,200,000	1,200,000
Hire purchase and finance leases	14,380	-	14,380	-
Other creditors	-	-	125,478	-
	<u>1,250,054</u>	<u>1,409,543</u>	<u>1,375,532</u>	<u>1,409,543</u>

Lakeland Arts

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

Group

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

	2024 £	2023 £
After more than five years by instalments	4,379	11,245
After more than five years not by instalments	1,200,000	1,200,000
	<u>1,204,379</u>	<u>1,211,245</u>

Charity

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

	2024 £	2023 £
After more than five years by instalments	4,379	11,245
After more than five years not by instalments	1,325,478	1,200,000
	<u>1,329,857</u>	<u>1,211,245</u>

Borrowings due after five years

The NHLF loan is secured on the Windermere Jetty Museum.

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

Bank loans and overdrafts after five years

The bank loan is a bounce back loan extended to 10 years. The interest rate is 2.5% with capital repayments over 9 years from 6 July 2022 of £455.25pm.

Other loans after five years

Lakeland Arts (the parent company) has borrowed £125,478 from the endowment fund investments held by Lakeland Arts Trust (25% as allowed by the Charity Commission) and will repay this over 20 years paying interest at 5.25%.

24 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £22,778 (2023 - £21,744).

Lakeland Arts

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

Defined benefit pension schemes

Cumbria Local Government Pension Scheme

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

The date of the most recent comprehensive actuarial valuation was 31 March 2022.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was 2,318 (2023 - £10,900).

The total cost relating to defined benefit schemes for the year included in the cost of an asset was - (2023 - £-).

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

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

	2024 £	2023 £
Fair value of scheme assets	1,374,000	1,347,000
Present value of defined benefit obligation	(1,352,000)	(1,369,000)
Defined benefit pension scheme surplus/(deficit)	<u>22,000</u>	<u>(22,000)</u>

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

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

Fair value of scheme assets

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

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

Lakeland Arts

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

Analysis of assets

The major categories of scheme assets are as follows:

	2024	2023
	£	£
Cash and cash equivalents	21,000	35,000
Equity instruments	509,000	492,000
Government bonds	183,000	189,000
Property	110,000	104,000
Other	551,000	527,000
	<u>1,374,000</u>	<u>1,347,000</u>

Return on scheme assets

	2024	2023
	£	£
Return on scheme assets	<u>(102,000)</u>	<u>(58,000)</u>

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

Principal actuarial assumptions

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

	2024	2023
	%	%
Mortality rate	1.50	1.75
Discount rate	4.90	4.90
Future salary increases	4.20	4.20
Future pension increases	2.80	2.80
Inflation	<u>2.70</u>	<u>2.70</u>

Post retirement mortality assumptions

	2024	2023
	Years	Years
Current UK pensioners at retirement age - male	22.00	22.00
Current UK pensioners at retirement age - female	24.00	24.00
Future UK pensioners at retirement age - male	23.00	23.00
Future UK pensioners at retirement age - female	<u>26.00</u>	<u>26.00</u>

Multi-employer plans

This is a defined benefit plan.

Lakeland Arts

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

25 Reserves

Group

	Pension reserve £	Total £
At 1 April 2023	22,000	22,000
Other reserve movements	<u>(22,000)</u>	<u>(22,000)</u>
At 31 March 2024	<u>-</u>	<u>-</u>

Group

	Pension reserve £	Total £
At 1 April 2023	340,000	340,000
Other reserve movements	<u>(318,000)</u>	<u>(318,000)</u>
At 31 March 2024	<u>22,000</u>	<u>22,000</u>

The trustees have considered accounting for an LGPS pension surplus and the asset ceiling. The trustees do not consider there is a surplus to recognise, as they do not believe there is an economic benefit. The charity is not able to claim a refund from the LGPS. The trustees have reviewed the report provided by Mercer, which provides additional information relating to accounting surplus as of 31 March 2024. The present value of future accounting service cost is lower than the present value of primary contributions, therefore a surplus should not be recognised.

26 Commitments

Group

Capital commitments

The charity was committed to payments for particular exhibitions which had not been paid for at 31 March 2024. The total amount contracted for but not provided in the financial statements was £23,750 (2023 - £Nil).

Charity

Capital commitments

The charity was committed to payments for particular exhibitions which had not been paid for at 31 March 2024. The total amount contracted for but not provided in the financial statements was £23,750 (2023 - £Nil).

Lakeland Arts

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

27 Funds

Group

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2024 £
Unrestricted funds						
<i>General</i>						
General funds	94,914	2,547,054	(3,117,501)	41,499	500	(433,534)
<i>Designated</i>						
Pension scheme deficit	(22,000)	-	-	-	22,000	-
Total unrestricted funds	72,914	2,547,054	(3,117,501)	41,499	22,500	(433,534)
Restricted funds						
Windermere Jetty Construction	16,923,244	-	(155,378)	-	-	16,767,866
Windermere Jetty Capital	113,216	-	-	-	-	113,216
NLHF loan	(1,200,000)	-	-	-	-	(1,200,000)
Collections Fund	5,000	-	(4,851)	-	-	149
Blackwell Endowment	-	19,827	(19,827)	-	-	-
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Exhibitions and Collections	-	5,000	(5,000)	-	-	-
Social Enterprise Funding	7,306	-	-	-	-	7,306
Sir Nicholas Goodison Award	-	21,000	(563)	-	-	20,437
AH Nature & Partnership Grant	-	20,000	-	-	-	20,000
AH Participation & learning	-	5,000	(1,391)	-	-	3,609
Boat conservation grants	-	43,750	(42,750)	-	-	1,000
Going Places Grant	-	500	-	-	-	500
DCMS/Wolfson Climate Gallery	-	40,485	(39,056)	-	-	1,429
The John Ellerman Foundation	-	13,055	(2,034)	-	-	11,021
Esme Fairbairn Foundation	-	40,000	(6,250)	-	-	33,750
Amy Williams Workshops	-	1,982	(1,982)	-	-	-
Museums Association	-	150	(150)	-	-	-
Restricted legacy income	-	50,000	-	-	-	50,000
Total restricted funds	15,849,929	260,749	(279,232)	-	-	15,831,446

Lakeland Arts

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

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2024 £
Permanent						
Blackwell Endowment	547,860	-	(19,651)	(41,499)	28,290	515,000
Total funds	16,470,703	2,807,803	(3,416,384)	-	50,790	15,912,912
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
Unrestricted funds						
General						
General funds	318,619	2,575,109	(2,708,449)	(40,987)	(49,378)	94,914
Designated						
Pension scheme deficit	(340,000)	-	3,000	-	315,000	(22,000)
Total unrestricted funds	(21,381)	2,575,109	(2,705,449)	(40,987)	265,622	72,914
Restricted funds						
Windermere Jetty Construction	17,078,622	-	(155,378)	-	-	16,923,244
Windermere Boat Collection	19,040	-	(19,040)	-	-	-
Windermere Jetty Capital	276,874	5,000	-	-	(168,658)	113,216
Prior year adjustment for WJ retention	(168,658)	-	-	-	168,658	-
NLHF loan	(1,200,000)	-	-	-	-	(1,200,000)
Collections Fund	5,000	-	-	-	-	5,000
Architectural Heritage Fund	-	15,000	(15,000)	-	-	-
South Lakeland District Council	-	27,500	(27,500)	-	-	-
Blackwell Endowment	6,605	19,403	(26,008)	-	-	-
Kendal Town Council	-	5,000	(5,000)	-	-	-
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Social Enterprise Funding	10,000	-	(2,694)	-	-	7,306
Abbot Hall Redevelopment	43,123	20,000	(103,132)	40,009	-	-
Areti Charitable Trust	2,991	-	(2,991)	-	-	-
National Lottery Heritage Fund, Resilient Heritage	-	22,950	(22,950)	-	-	-
Boat conservation grants	-	90,500	(90,500)	-	-	-
The John Ellerman Foundation	-	13,194	(13,194)	-	-	-
Art Fund	12,752	4,998	(17,750)	-	-	-

Lakeland Arts

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

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
Garfield Weston Foundation	37,592	-	(37,592)	-	-	-
Granada Foundation	-	5,000	(5,000)	-	-	-
Clore Duffield Foundation	<u>18,826</u>	<u>-</u>	<u>(19,804)</u>	<u>978</u>	<u>-</u>	<u>-</u>
Total restricted funds	16,143,930	228,545	(563,533)	40,987	-	15,849,929
<i>Permanent</i>						
Blackwell Endowment	<u>585,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,140)</u>	<u>547,860</u>
Total funds	<u>16,707,549</u>	<u>2,803,654</u>	<u>(3,268,982)</u>	<u>-</u>	<u>228,482</u>	<u>16,470,703</u>

Lakeland Arts

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

Charity

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
Unrestricted funds				
<i>General</i>				
General funds	219,222	1,655,207	(2,312,098)	(437,669)
Restricted funds				
Windermere Jetty Construction	16,923,244	-	(155,378)	16,767,866
Windermere Jetty Capital Funds	113,216	-	-	113,216
NHLF loan	(1,200,000)	-	-	(1,200,000)
Collection funds	5,000	-	(4,851)	149
Boat conservation funds	-	43,750	(42,750)	1,000
DCMS/Wolfson Climate Gallery	-	40,485	(39,056)	1,429
Social Enterprise Funding	7,306	-	-	7,306
Esmee Fairbairn Foundation	-	40,000	(6,250)	33,750
Aurelius Trust (Blackwell Library)	1,163	-	-	1,163
Exhibitions & Collections funds	-	5,000	(5,000)	-
Sir Nicholas Goodison Award	-	21,000	(563)	20,437
AH Nature & Partnership Grant	-	20,000	-	20,000
AH Participation & learning	-	5,000	(1,391)	3,609
The John Ellerman Foundation	-	13,055	(2,034)	11,021
Going Places Grant	-	500	-	500
Amy Williams Workshops	-	1,982	(1,982)	-
Museums Association	-	150	(150)	-
Restricted legacy income	-	50,000	-	50,000
Total restricted funds	15,849,929	240,922	(259,405)	15,831,446
Total funds	16,069,151	1,896,129	(2,571,503)	15,393,777

Lakeland Arts

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

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
Unrestricted funds						
<i>General</i>						
General funds	469,051	1,900,954	(2,069,796)	(40,987)	(40,000)	219,222
Restricted funds						
Windermere Jetty Construction	17,078,622	-	(155,378)	-	-	16,923,244
Windermere Jetty Capital Funds	276,874	5,000	-	(168,658)	-	113,216
Prior year adjustment WJ retention	(168,658)	-	-	168,658	-	-
NHLF loan	(1,200,000)	-	-	-	-	(1,200,000)
Collection funds	5,000	-	-	-	-	5,000
Windermere Boat Collection	19,040	-	(19,040)	-	-	-
Boat conservation funds	-	90,500	(90,500)	-	-	-
Social Enterprise Funding	10,000	-	(2,694)	-	-	7,306
Areti Charitable Trust	2,991	-	(2,991)	-	-	-
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Blackwell endowment income	-	26,008	(26,008)	-	-	-
Abbot Hall Redevelopment	43,123	20,000	(103,132)	40,009	-	-
South Lakeland District Council	-	27,500	(27,500)	-	-	-
National Lottery Heritage Fund Resilience	-	22,950	(22,950)	-	-	-
Architectural Heritage Foundation	-	15,000	(15,000)	-	-	-
The John Ellerman Foundation	-	13,194	(13,194)	-	-	-
Art Fund	12,752	4,998	(17,750)	-	-	-
Garfield Weston Foundation	37,592	-	(37,592)	-	-	-
Granada Foundation	-	5,000	(5,000)	-	-	-
Clore Duffield Foundation	18,826	-	(19,804)	978	-	-
Kendal Town Council	-	5,000	(5,000)	-	-	-
Total restricted funds	16,137,325	235,150	(563,533)	40,987	-	15,849,929
Total funds	16,606,376	2,136,104	(2,633,329)	-	(40,000)	16,069,151

Lakeland Arts

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

28 Analysis of net assets between funds

Group

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

	Unrestricted funds		Restricted funds £	Endowment funds Permanent £	Total funds at 31 March 2023 £
	General £	Designated £			
Tangible fixed assets	192,011	-	16,923,244	-	17,115,255
Fixed asset investments	178,373	-	-	547,860	726,233
Current assets	37,718	-	295,343	-	333,061
Current liabilities	(272,303)	-	-	-	(272,303)
Creditors over 1 year	(40,885)	-	(1,368,658)	-	(1,409,543)
Pension scheme liability	-	(22,000)	-	-	(22,000)
Total net assets	<u>94,914</u>	<u>(22,000)</u>	<u>15,849,929</u>	<u>547,860</u>	<u>16,470,703</u>

Lakeland Arts

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

Charity

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2024 £
Tangible fixed assets	20,023	16,767,866	16,787,889
Fixed asset investments	2	-	2
Current assets	319,963	263,580	583,543
Current liabilities	(602,125)	-	(602,125)
Creditors over 1 year	(175,532)	(1,200,000)	(1,375,532)
Total net assets	<u>(437,669)</u>	<u>15,831,446</u>	<u>15,393,777</u>
	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2023 £
Tangible fixed assets	192,011	16,923,244	17,115,255
Fixed asset investments	150,002	-	150,002
Current assets	152,115	295,343	447,458
Current liabilities	(234,021)	-	(234,021)
Creditors over 1 year	(40,885)	(1,368,568)	(1,409,453)
Total net assets	<u>219,222</u>	<u>15,850,019</u>	<u>16,069,241</u>

29 Analysis of net funds

Group

	At 1 April 2023 £	Financing cash flows £	At 31 March 2024 £
Cash at bank and in hand	165,786	67,059	232,845
Debt due within one year	(7,410)	1,156	(6,254)
Debt due after more than one year	(1,409,543)	159,489	(1,250,054)
Finance leases and hire purchase contracts	-	(34,863)	(34,863)
Net debt	<u>(1,251,167)</u>	<u>192,841</u>	<u>(1,058,326)</u>
	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	420,890	(255,104)	165,786
Debt due within one year	(5,463)	(1,947)	(7,410)
Debt due after more than one year	(1,412,846)	3,303	(1,409,543)
Net debt	<u>(997,419)</u>	<u>(253,748)</u>	<u>(1,251,167)</u>

Lakeland Arts

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

30 Related party transactions

Group

There were no related party transactions in the year.

Charity

There were no related party transactions in the year.