

REGISTERED COMPANY NUMBER: 10298071 (England and Wales)
REGISTERED CHARITY NUMBER: 1175184

Report of the Trustees and
Audited Financial Statements for the Year Ended 31 December 2020
for
Lakeland Housing Trust
(A Company Limited by Guarantee)

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

**Contents of the Financial Statements
for the Year Ended 31 December 2020**

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 6
Report of the Independent Auditors	7 to 10
Statement of Financial Activities	11
Balance Sheet	12 to 13
Cash Flow Statement	14
Notes to the Cash Flow Statement	15
Notes to the Financial Statements	16 to 22
Detailed Statement of Financial Activities	23 to 24

Lakeland Housing Trust

**Reference and Administrative Details
for the Year Ended 31 December 2020**

TRUSTEES

I R Bonham
R D L Brownson
Mrs H E Caldwell
P Davies
C R A Flanagan
Mrs D A Hall
L Harwood OBE
J M Holmes
N F Hutchinson
Mrs D R Matthews
Ms S McGregor
M Tillyer
Mrs S M Tomlinson

REGISTERED OFFICE

36 Finkle Street

Kendal
Cumbria
LA9 4AB

**REGISTERED COMPANY
NUMBER**

10298071 (England and Wales)

**REGISTERED CHARITY
NUMBER**

1175184

AUDITORS

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

Lakeland Housing Trust

Report of the Trustees for the Year Ended 31 December 2020

The Trustees present their report and the audited financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Formed in 1937, The Lakeland Housing Trust is a Registered Charitable Company, the operations were originally through an unincorporated Charity - No 701075 - all the assets and operations transferred on 1 January 2019 to this charitable company - Charity No 1175184.

The Trust currently owns and manages 48 properties in the central Lakeland area, all within the Lake District National Park boundary.

Tourism is an essential part of life in central Lakeland but the increasing second home and holiday let market means that house prices have increased at a rate that makes it very difficult for local people to buy or rent a home. As a consequence, the sense of 'local community' is being lost.

The Trust's aim is to provide rented homes for local people who cannot afford to buy or long-term rent accommodation at current market prices. Our affordable rents have resulted in several of our tenants being able to save for deposits and subsequently buy their own home.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Lakeland Housing Trust provides rented homes for local people who cannot afford to buy or long-term rent accommodation at current market prices. Our affordable rents have resulted in several of our tenants being able to save for deposits and subsequently buy their own home.

Vacancies are advertised in the local press and priority consideration is given on the basis of need, to local people working or retired in the area or who have strong local family connections. Current properties are situated mainly in the Ambleside, Coniston, Hawkshead and Troutbeck areas.

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Lakeland Housing Trust

Report of the Trustees for the Year Ended 31 December 2020

STRATEGIC REPORT

Achievement and performance

Charitable activities

Developments:

During 2020 No.1 & 1A Lakefield Cottages have been added to the portfolio and are now let. 1A has been named Brockbank Cottage.

Two new properties are currently being built on land donated to the Trust near Crag Foot Cottage, Grasmere. The work should be completed by the end of 2021.

The necessary refurbishment of Ciceley Parrock and Sidey Bank in Troutbeck, the upgrading of other properties and the on going building works will cost the Trust in the region of £1,000,000. The Trust has taken out a mortgage in the region of £750,000 to fund this work.

Loft Crag, Grasmere which was bequeathed to the Trust in 2019 was sold due to its very poor state of repair and the funds will be used to fund other projects.

Grandy Nook, Kendal (and an adjacent 1 bed cottage) was transferred to Lakeland Housing Trust from the Kendal & Sedbergh Quakers. Grandy Nook is a grade 2 listed property that has been converted into 5 residential flats and is let to local people who cannot otherwise afford to rent or buy locally.

The Properties:

Repairs and improvements

Most of the properties have now been brought up to the standards required by legislation. Over 85% have modern heating systems and are insulated to a good level. All now comply with the government's energy targets apart from three, for which exemption certificates have been applied

A programme was developed by the Buildings Group to prioritise work to bring all the other properties up to standard. The work is nearly complete.

Rents and Tenancies

Income from rents increased by nearly 5% reflecting the number of properties that were due for rent reviews and the additional rent from the newly acquired Spedding Cottage. It should be noted that rents are only reviewed every other year.

Rents average £92.00 a week. The Trust's policy is to charge rents equivalent to or slightly lower than other social landlords.

There remains keen interest in any vacancies and no shortage of candidates fitting the Trust's strict criteria.

Three properties were let to new tenants during the year.

Fundraising activities

The charity does not carry out significant fundraising activities.

Financial review

Principal funding sources

The principal funding sources for the charity are the rentals obtained from the properties and legacies.

Lakeland Housing Trust

Report of the Trustees for the Year Ended 31 December 2020

STRATEGIC REPORT

Financial review

Reserves policy

It is the policy of the Trust to maintain unrestricted funds at a level which equates to approximately six months unrestricted expenditure. This provides sufficient funds to cover management and administration costs and to respond to emergency expenditure which arises from time to time.

Free reserves at the year end are £54,164 (2019 - 19,046). This is less than the desired level due to capital projects being funded through current account funds rather than a loan. The Trust has obtained a loan to correct the position and is aiming to build free reserves back to the policy position.

The Finance Group regularly reviews the financial position of the Trust - ensuring that there are sufficient funds to cover current and planned future expenditure, whilst also ensuring that there is sufficient surplus for the repayment of its borrowings.

Further information in relation to anticipated financial issues is detailed under 'Future Plans'.

Future plans

Loft Crag, Grasmere was bequeathed to the Trust, subject to probate. The property is in a very poor state and will be sold to help fund current future building projects.

Solicitors have been instructed in relation to the transfer of the property known as Grandy Nook, Kendal (and an adjacent 1-bed cottage) from the Kendal & Sedbergh Quakers to the LHT. Grandy Nook is a Grade 2 listed property that has been converted into 5 residential flats and is let to local people who cannot otherwise afford to rent or buy locally.

The LHT was approached, in 2019, by the owner of land at Sawrey Knots, Far Sawrey with a view to gifting the land to the LHT so that affordable housing can be built there for locals. The LHT has applied for outline planning permission and awaits the outcome.

The acquisition of the 6 individual properties at Grandy Nook and the building of an additional house at Lakefield Cottages and two houses in Grasmere will lead to the LHT growing from 36 properties in 2018 to 51 by the end of 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

New trustees are nominated and appointed by the existing trustees.

Lakeland Housing Trust

Report of the Trustees for the Year Ended 31 December 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The trust is managed locally by Trustees who have lived in the area for most of their lives and who give their services voluntarily. They have a deep commitment to the preservation and prosperity of integrated local communities and value the traditional vernacular architecture of the Lake District. All improvements are carried out sympathetically.

All the Trustees continue to give a great deal of advice and practical assistance in the running of the Trust

The day-to-day administration of the Trust is undertaken by H&H Land & Estates, Kendal from June 2019.

The Trust's Buildings Group oversees the maintenance of the properties and plans for future works, ensuring compliance with relevant legislation. Trustee, John Holmes, has ably led the Group, supported by a local architect, Stuart Woodhall, who manages some of the larger projects on behalf of the Trust. Charles Flanagan, Malcolm Tillyer's predecessor, has also provided invaluable support.

The Trust's Rents and Tenancy Group is responsible for setting rents, selecting new tenants, undertaking rent review visits and ensuring compliance with legislation. Trustee, Peter Davies, has ably led this Group.

The Finance Group is responsible for monitoring and reviewing the financial health of the Trust. Our new trustee, Shelagh McGregor, has utilised her experience as head of finance for South Lakes District Council to effectively Chair this group.

Temple Heelis have acted as the Trust's solicitors and have continued to provide essential legal advice when required.

Induction and training of new trustees

New trustees are selected based on their skills and knowledge of our local communities, ensuring that the Trust always has trustees with experience in financial and property management. New trustees are provided with copies of previous Board meeting minutes, information about the Trust, its properties, its tenants and the community needs within the Central Lakes area. A full Governance and Succession Planning Review will take place during 2021.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Finances are managed by the finance officer at H&H Land and Estates, Kendal and overseen by the Lakeland Housing Trust Board of Trustees. Specific oversight responsibility sits with a trustee who is a recently retired chartered accountant and head of finance for South Lakeland District Council. A 5-year financial plan is in place that is regularly monitored, ensuring that any unforeseen costs are catered for and that additional planned expenditure is affordable and carefully managed.

Conclusion

The need for affordable housing is as acute today as it was when The Lakeland Housing Trust was founded in 1937 (as the Lake Country Cottage Society). The Trust is committed to continuing to offer low cost rented housing - helping to keep villages alive and allowing local people to live and work in the heart of the Lake District. The Trust welcomes the excellent support of the South Lakeland District Council and the Lake District National Park Authority

I am grateful for the support of fellow trustees and staff at H&H Land and Estates, Kendal.

Lakeland Housing Trust

Report of the Trustees for the Year Ended 31 December 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Lakeland Housing Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

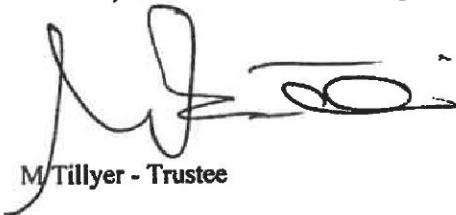
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 16 March 2021 and signed on the board's behalf by:



M Tillyer - Trustee

Report of the Independent Auditors to the Trustees of Lakeland Housing Trust

Opinion

We have audited the financial statements of Lakeland Housing Trust (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The 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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the Independent Auditors to the Trustees of Lakeland Housing Trust

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Report of the Independent Auditors to the Trustees of Lakeland Housing Trust

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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.

The charitable company is managed by a management company which reduces the risk of fraud. We assessed the management company's policies and procedures on fraud risks. No instances of actual, suspected or alleged fraud were identified by us or the managing company in the year.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of controls. We are not responsible for preventing non-compliance and cannot be expected to detect compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees of
Lakeland Housing Trust**

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Stables 1 —

Stables Thompson & Briscoe
Chartered Accountants & Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Lowther House
Lowther Street
Kendal
LA9 4DX

Date:3/6/21.....

Lakeland Housing Trust

**Statement of Financial Activities
for the Year Ended 31 December 2020**

		31.12.20 Unrestricted funds £	31.12.19 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	636,691	5,451
Other trading activities	3	-	400
Investment income	4	205,692	172,614
Other income	5	-	98,170
Total		842,383	276,635
 EXPENDITURE ON			
Charitable activities	6		
Rental properties		149,093	132,641
NET INCOME		693,290	143,994
 RECONCILIATION OF FUNDS			
Total funds brought forward		3,982,046	3,838,052
TOTAL FUNDS CARRIED FORWARD		4,675,336	3,982,046

The notes form part of these financial statements

Lakeland Housing Trust

Balance Sheet 31 December 2020

	Notes	31.12.20 Unrestricted funds £	31.12.19 Total funds £
FIXED ASSETS			
Tangible assets	11	4,671,172	3,963,000
CURRENT ASSETS			
Debtors	12	4,171	2,799
Prepayments and accrued income		30,000	-
Cash at bank		<u>34,382</u>	<u>44,363</u>
		68,553	47,162
CREDITORS			
Amounts falling due within one year	13	(14,389)	(28,116)
		<u>54,164</u>	<u>19,046</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		4,725,336	3,982,046
CREDITORS			
Amounts falling due after more than one year	14	(50,000)	-
		<u>4,675,336</u>	<u>3,982,046</u>
NET ASSETS			
FUNDS	16		
Unrestricted funds		<u>4,675,336</u>	<u>3,982,046</u>
TOTAL FUNDS		<u>4,675,336</u>	<u>3,982,046</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

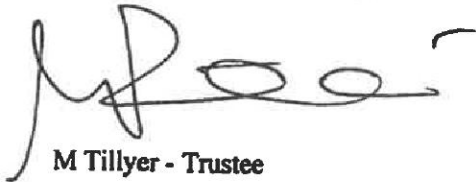
The notes form part of these financial statements

Lakeland Housing Trust

Balance Sheet - continued
31 December 2020

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

The financial statements were approved by the Board of Trustees and authorised for issue on 16 March 2021 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'M Tillyer', with a long horizontal stroke extending to the right.

M Tillyer - Trustee

The notes form part of these financial statements

Lakeland Housing Trust

Cash Flow Statement for the Year Ended 31 December 2020

	Notes	31.12.20 £	31.12.19 £
Cash flows from operating activities			
Cash generated from operations	1	650,458	43,102
Interest paid		<u>(2,297)</u>	<u>(1,900)</u>
Net cash provided by operating activities		<u>648,161</u>	<u>41,202</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(708,172)	(792,614)
Sale of tangible fixed assets		-	647,687
Interest received		30	236
Net cash used in investing activities		<u>(708,142)</u>	<u>(144,691)</u>
Cash flows from financing activities			
New loans in year		50,000	-
Loan repayments in year		-	(134,366)
Net cash provided by/(used in) financing activities		<u>50,000</u>	<u>(134,366)</u>
Change in cash and cash equivalents in the reporting period		(9,981)	(237,855)
Cash and cash equivalents at the beginning of the reporting period		44,363	282,218
Cash and cash equivalents at the end of the reporting period		<u>34,382</u>	<u>44,363</u>

The notes form part of these financial statements

Lakeland Housing Trust

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2020**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.20 £	31.12.19 £
Net income for the reporting period (as per the Statement of Financial Activities)	693,290	143,994
Adjustments for:		
Profit on disposal of fixed assets	-	(98,170)
Interest received	(30)	(236)
Interest paid	2,297	1,900
(Increase)/decrease in debtors	(31,372)	936
Decrease in creditors	(13,727)	(5,322)
Net cash provided by operations	<u>650,458</u>	<u>43,102</u>

2. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank	<u>44,363</u>	<u>(9,981)</u>	<u>34,382</u>
	<u>44,363</u>	<u>(9,981)</u>	<u>34,382</u>
Debt			
Debts falling due after 1 year	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>
	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>
Total	<u>44,363</u>	<u>(59,981)</u>	<u>(15,618)</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

No depreciation is provided on Freehold property as, in the trustees opinion, the market value of the properties is in excess of the net book value.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

7. SUPPORT COSTS

	Management	Finance	Governance	Totals
	£	£	costs	£
Rental properties	<u>637</u>	<u>9,942</u>	<u>46,947</u>	<u>57,526</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.20	31.12.19
	£	£
Auditors' remuneration	4,520	3,980
Surplus on disposal of fixed assets	<u>-</u>	<u>(98,170)</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	5,451
Other trading activities	400
Investment income	172,614
Other income	<u>98,170</u>
Total	276,635
 EXPENDITURE ON	
Charitable activities	
Rental properties	132,641
NET INCOME	<u>143,994</u>
 RECONCILIATION OF FUNDS	
Total funds brought forward	3,838,052

Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

2. DONATIONS AND LEGACIES

	31.12.20	31.12.19
	£	£
Donations	21	5,451
Legacies	94,751	-
Transfer of property and funds from Grandy Nook	541,919	-
	<u>636,691</u>	<u>5,451</u>

3. OTHER TRADING ACTIVITIES

	31.12.20	31.12.19
	£	£
Sales of stone	-	400

4. INVESTMENT INCOME

	31.12.20	31.12.19
	£	£
Rents received	205,662	172,378
Deposit account interest	30	236
	<u>205,692</u>	<u>172,614</u>

5. OTHER INCOME

	31.12.20	31.12.19
	£	£
Gain on sale of tangible fixed assets	-	98,170

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 7)	Totals
	£	£	£
Rental properties	<u>91,567</u>	<u>57,526</u>	<u>149,093</u>

Lakeland Housing Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £
TOTAL FUNDS CARRIED FORWARD	<u>3,982,046</u>

11. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 January 2020	3,963,000
Additions	708,172
At 31 December 2020	<u>4,671,172</u>
NET BOOK VALUE	
At 31 December 2020	<u>4,671,172</u>
At 31 December 2019	<u>3,963,000</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Rent arrears	1,801	444
Prepayments	<u>2,370</u>	<u>2,355</u>
	<u>4,171</u>	<u>2,799</u>

Lakeland Housing Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Trade creditors	6,714	21,278
Accruals and deferred income	-	300
Accrued expenses	7,675	6,538
	<u>14,389</u>	<u>28,116</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.20	31.12.19
	£	£
Bank loans (see note 15)	<u>50,000</u>	<u>-</u>

15. LOANS

An analysis of the maturity of loans is given below:

	31.12.20	31.12.19
	£	£
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>50,000</u>	<u>-</u>

16. MOVEMENT IN FUNDS

	At 1.1.20	Net movement in funds	At 31.12.20
	£	£	£
Unrestricted funds			
General fund	3,982,046	693,290	4,675,336
TOTAL FUNDS	<u>3,982,046</u>	<u>693,290</u>	<u>4,675,336</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	842,383	(149,093)	693,290
TOTAL FUNDS	<u>842,383</u>	<u>(149,093)</u>	<u>693,290</u>

Lakeland Housing Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
General fund	3,641,753	143,994	196,299	3,982,046
Miss Joan Nicholson fund	196,299	-	(196,299)	-
	<u>3,838,052</u>	<u>143,994</u>	<u>-</u>	<u>3,982,046</u>
TOTAL FUNDS	<u>3,838,052</u>	<u>143,994</u>	<u>-</u>	<u>3,982,046</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	276,635	(132,641)	143,994
	<u>276,635</u>	<u>(132,641)</u>	<u>143,994</u>
TOTAL FUNDS	<u>276,635</u>	<u>(132,641)</u>	<u>143,994</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	3,641,753	837,284	196,299	4,675,336
Miss Joan Nicholson fund	196,299	-	(196,299)	-
	<u>3,838,052</u>	<u>837,284</u>	<u>-</u>	<u>4,675,336</u>
TOTAL FUNDS	<u>3,838,052</u>	<u>837,284</u>	<u>-</u>	<u>4,675,336</u>

Lakeland Housing Trust**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020****16. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,119,018	(281,734)	837,284
TOTAL FUNDS	<u>1,119,018</u>	<u>(281,734)</u>	<u>837,284</u>

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020.

Lakeland Housing Trust**Detailed Statement of Financial Activities
for the Year Ended 31 December 2020**

	31.12.20	31.12.19
	£	£
Finance		
Brought forward	7,645	632
Bank loan interest	<u>2,297</u>	<u>1,900</u>
	9,942	2,532
Governance costs		
Auditors' remuneration	4,520	3,980
Legal and professional fees	216	1,020
Management fees	41,587	36,459
Trustees liability insurance	527	527
Hall hire	<u>97</u>	<u>30</u>
	46,947	42,016
Total resources expended	<u>149,093</u>	<u>132,641</u>
Net income	<u>693,290</u>	<u>143,994</u>

This page does not form part of the statutory financial statements

Lakeland Housing Trust**Detailed Statement of Financial Activities
for the Year Ended 31 December 2020**

	31.12.20 £	31.12.19 £
INCOME AND ENDOWMENTS		
Donations and legacies	21	5,451
Donations	94,751	-
Legacies		
Transfer of property and funds from Grandy Nook	541,919	-
	<u>636,691</u>	<u>5,451</u>
Other trading activities	-	400
Sales of stone		
Investment income	205,662	172,378
Rents received	30	236
Deposit account interest	<u>205,692</u>	<u>172,614</u>
Other income	-	98,170
Gain on sale of tangible fixed assets	<u>842,383</u>	<u>276,635</u>
Total incoming resources		
EXPENDITURE		
Charitable activities	8,402	10,807
Rates and property expenses	10,569	6,712
Insurance	-	466
Postage and stationery	31,546	2,333
Property consultancy fees	42,200	62,422
Repairs and maintenance	(1,150)	1,150
Provision for bad debts	-	3,352
Property related legal fees	<u>91,567</u>	<u>87,242</u>
Support costs		
Management	637	851
Advertising		
Finance	7,645	632
Bank charges	7,645	632
Carried forward		

This page does not form part of the statutory financial statements



36 Finkle Street, Kendal, Cumbria LA9 4AB | Tel: 01539 721375 | www.thelakelandhousingtrust.co.uk

Stables Thompson & Briscoe
Chartered Accountants & Registered Auditors
Lowther House, Lowther Street
Kendal, Cumbria
LA9 4DX

Our Ref: MT/HL

14 June 2021

Dear Sirs,

We confirm to the best of our knowledge and belief that we have made appropriate enquiries of management and staff with relevant knowledge and experience and, where necessary, have inspected supporting documentation sufficient to satisfy ourselves that we can properly make each of the following representations to you in connection with your audit of the financial statements of Lakeland Housing Trust for the period ended 31st December 2020.

General

1. We have fulfilled our responsibilities as trustees as set out in the terms of your engagement letter dated 12 February 2020 under the Companies Act 2006 and the Charities Act 2011 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the charitable company and its two subsidiaries have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of management meetings, have been made available to you.
3. The financial statements are free of material misstatements, including omissions.
4. We believe that the effect of uncorrected misstatements is immaterial both individually and in total.

Internal Control

5. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
6. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
7. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysis, regulators or others.

Going concern

8. We believe that the charitable company's group financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charitable company's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that there are sufficient disclosures relating to the charitable company's ability to continue as a going concern in the group accounts and the no further disclosures need to be made in the financial statements.

Assets and liabilities

9. The charitable company has satisfactory title to all assets and there are no liens or encumbrances on the charitable company's assets, except for those that are disclosed in the notes to the financial statements.
10. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the notes to the financial statements and all guarantees that we have given to third parties.

Accounting estimates

11. Significant assumptions used by us in making accounting estimates, including those measured at fair value are reasonable.

Loans and arrangements

12. The charitable company has not granted any advances or credits to, or made guarantees on behalf of, directors.

Law and regulations

13. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose affects should be considered when preparing the financial statements.

Related parties

14. Related party relationships have been identified and there are no transactions that need to be disclosed.

Subsequent events

15. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Grants and donations

16. All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income. We agree the attached schedule of restricted funds.

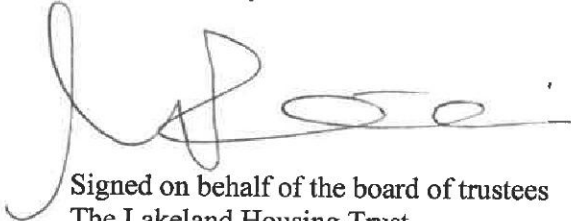
Legal Claims

17. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Each director has taken all the steps that he ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that you are aware of that information

Yours faithfully,

A handwritten signature in black ink, appearing to be 'J. P. S.', written over a horizontal line.

Signed on behalf of the board of trustees
The Lakeland Housing Trust



STABLES THOMPSON & BRISCOE

CHARTERED ACCOUNTANTS & REGISTERED AUDITORS

Lowther House, Lowther Street, Kendal, Cumbria LA9 4DX
Tel: (01539) 720465 Fax: (01539) 740209
Email: enquiries@stb-accountants.co.uk www.stb-accountants.co.uk

28th May 2021

The Trustees
Lakeland Housing Trust
c/o 36 Finkle Street
Kendal
Cumbria
LA9 4AB

Dear Sirs,

REPORT TO MANAGEMENT

During the course of our audit for the year ended 31 December 2020 a number of matters arose which we consider should be brought to your attention.

Accompanying this letter is a memorandum noting these points together with any recommendations we have for possible improvements which could be made.

These matters came to light during the course of our normal audit tests which are designed to assist us in forming our opinion on the financial statements. Our tests may not necessarily disclose all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit tests, we would, of course, inform you immediately.

We would be grateful if you could enter management's comments against each point under the "management response" column of the memorandum and return it to us in due course.

We have complied with the Financial Reporting Council's Ethical Standard and all threats to our independence, as identified to you, have been properly addressed through appropriate safeguards. No additional facts or matters have arisen during the course of the audit that we wish to draw to your attention and we confirm that we are independent and able to express an objective opinion on the financial statements.

This report has been prepared for the sole use of the trustees of Lakeland Housing Trust and must not be shown to third parties without our prior consent. No responsibilities are accepted by Stables Thompson & Briscoe towards any party acting or refraining from action as a result of this report.

Finally, we would like to express our thanks to all members of the charity's staff who assisted us in carrying out our work.

Yours faithfully,

