

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 2021
for
Lakeland Housing Trust
(A Company Limited by Guarantee)

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

Lakeland Housing Trust

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Lakeland Housing Trust

Reference and Administrative Details for the Year Ended 31 December 2021

TRUSTEES

I R Bonham
R D L Brownson
Mrs H E Caldwell
P Davies
C R A Flanagan
Mrs D A Hall
J M Holmes
N F Hutchinson
Mrs D R Matthews
Ms S McGregor (resigned 16.8.21)
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 2021

The Trustees present their report and the audited financial statements of the charity for the year ended 31 December 2021.

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 52 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.

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 2021

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Developments:

Lakefield, Sawrey

Nos 1 & 1A

The demolition of No.1 and the rebuilt to create 2 No 3 Bedroom Houses was completed during the early part of 2021.

No 2.

The complete refurbishment of this property which is a 2 bedroom house also completed by the middle of 2021.

No.3

This property was reroofed at the same time as the works being carried out in No.2.

Hawthorn Close (Cragfoot, Grasmere).

The development of this site to provide 2 No 3 bedroom houses was progressed throughout 2021 with a completion envisaged early in 2022.

These houses have been built to Passive House standard being to a much higher standard of energy saving than current Building Regs stipulate.

A Grant secured from South Lakeland District Council has helped offset the extraordinary costs of developing this difficult site and building to a much higher specification.

Gable Cottage - Hawkshead.

This property has been extensively refurbished during the latter part of 2021 with completion achieved in the early part of 2022.

Grandy Nook - Kendal.

Planning application for the conversion of the weekend cottage into a single bedroom Bungalow was obtained during the year and the intention is to carry out these works during the latter part of 2022.

Later in the year as Flat C became voided work was commenced to completely remodel this apartment.

Major Upgrades

A variety of upgrades comprising new kitchens, bathrooms and double glazing have been carried out to the following:

2 The Green - Ambleside

High Greenside Cottage - Sawrey

2 Compston Street - Ambleside

12 Loughrigg Park - Ambleside

Kirkfoot Cottage - Ambleside

4 Rydal View - Ambleside

Fundraising activities

The charity does not carry out significant fundraising activities.

Lakeland Housing Trust

Report of the Trustees for the Year Ended 31 December 2021

ACHIEVEMENT AND PERFORMANCE

The Properties:

(a) 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

Electrical inspections were carried out on all properties and, where appropriate, remedial work undertaken.

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.

(b) Rents & 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 £90.00 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.

FINANCIAL REVIEW

Financial 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 a sufficient surplus for the repayment of its borrowings.

The Trust received income of £1,013,069 in the year, higher than the £842,383 received last year as it includes a legacy of £230,000 received on 1 March 2022 but notified before the year end and also included a grant of £136,825 from SLDC Affordable Housing. Rental income was £26,188 higher reflecting the increase in the number of properties to rent.

Running expenses were very similar to last year at £155,554 (2020 - £149,093).

The development costs capitalised were £537,983 in the year compared to £708,172 last year. Despite this there has not been any further draw down on the loan due to the legacies and grants received in the year.

The net surplus transferred to funds was £857,515 (2020 - £693,290).

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 2021

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 were £93,696 (2020 - £4,164). This is equivalent to seven months running costs, but given the ongoing developments is not felt to be excessive.

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

During 2022 major works will be carried out to Ciceley Parrock to provide a ground floor shower room and double-glazed windows.

Also, on this site an existing Septic Tank (serving 5 properties) will be replaced with a Treatment Plant. The necessary Planning Permission has been granted.

A further apartment "A" in Grandy Nook will be fully refurbished.

Quinquennial Survey.

This was commissioned during 2021 and will complete early part of 2022.

This will enable a full 5 year rolling programme of refurbishments to be carried out.

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.

The trustees

The trustees are:

Roger Bonham
Richard Brownson
Helen Caldwell
Peter Davies
Charles Flanagan
Anne Hall
John Holmes
Nigel Hutchinson
Diana Matthews
Shelagh McGregor (Until resignation on 16.8.2021)
Malcolm Tillyer, Chairman
Susan Tomlinson

All trustees provide essential advice and practical support in the running of the Trust.

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 2021

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 transferred from Ingalls Accountants, Kendal to H&H Land & Estates, Kendal in June 2019. This change was necessary as a result of the current and anticipated future growth of the Trust. The relevant experience and expertise of H&H Land and Estates staff has ensured that the Trust continues to be managed effectively.

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, my 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, ably led this Group before passing on the role of Chair to Sue Tomlinson.

The Finance Group is responsible for monitoring and reviewing the financial health of the Trust. Our new trustee, Shelagh McGregor, utilised her experience as head of finance for South Lakes District Council to effectively Chair this group. Shelagh resigned as a trustee on 16th August 2021. Her role was covered by Malcolm Tillyer pending the appointment of a suitably qualified trustee to the role.

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.

Lakeland Housing Trust

Report of the Trustees for the Year Ended 31 December 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 Lakes 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.

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

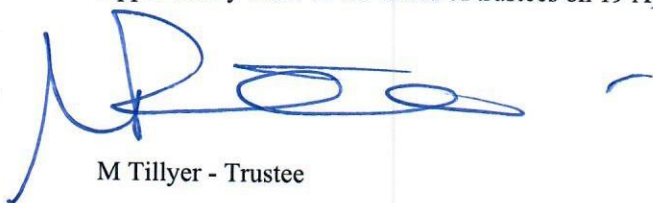
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 19 April 2022 and signed on its 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 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

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

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 specific procedures for this engagement and the extent to which these 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 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: 8 August 2022

Lakeland Housing Trust

**Statement of Financial Activities
for the Year Ended 31 December 2021**

	Notes	Unrestricted funds £	Restricted funds £	31.12.21 Total funds £	31.12.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	414,368	230,000	644,368	636,691
Charitable activities	4				
Rental properties		-	136,825	136,825	-
Investment income	3	231,876	-	231,876	205,692
Total		<u>646,244</u>	<u>366,825</u>	<u>1,013,069</u>	<u>842,383</u>
EXPENDITURE ON					
Charitable activities	5				
Rental properties		155,554	-	155,554	149,093
NET INCOME		<u>490,690</u>	<u>366,825</u>	<u>857,515</u>	<u>693,290</u>
Transfers between funds	16	136,825	(136,825)	-	-
Net movement in funds		<u>627,515</u>	<u>230,000</u>	<u>857,515</u>	<u>693,290</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		4,675,336	-	4,675,336	3,982,046
TOTAL FUNDS CARRIED FORWARD		<u><u>5,302,851</u></u>	<u><u>230,000</u></u>	<u><u>5,532,851</u></u>	<u><u>4,675,336</u></u>

The notes form part of these financial statements

Lakeland Housing Trust

Balance Sheet 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	31.12.21 Total funds £	31.12.20 Total funds £
FIXED ASSETS					
Tangible assets	10	5,209,155	-	5,209,155	4,671,172
CURRENT ASSETS					
Debtors	11	3,993	-	3,993	4,171
Prepayments and accrued income		-	230,000	230,000	30,000
Cash at bank		<u>179,182</u>	<u>-</u>	<u>179,182</u>	<u>34,382</u>
		183,175	230,000	413,175	68,553
CREDITORS					
Amounts falling due within one year	12	(39,479)	-	(39,479)	(14,389)
NET CURRENT ASSETS		<u>143,696</u>	<u>230,000</u>	<u>373,696</u>	<u>54,164</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,352,851	230,000	5,582,851	4,725,336
CREDITORS					
Amounts falling due after more than one year	13	(50,000)	-	(50,000)	(50,000)
NET ASSETS		<u>5,302,851</u>	<u>230,000</u>	<u>5,532,851</u>	<u>4,675,336</u>
FUNDS	16				
Unrestricted funds				5,302,851	4,675,336
Restricted funds				<u>230,000</u>	<u>-</u>
TOTAL FUNDS				<u>5,532,851</u>	<u>4,675,336</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

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

The notes form part of these financial statements

Lakeland Housing Trust

Balance Sheet - continued
31 December 2021

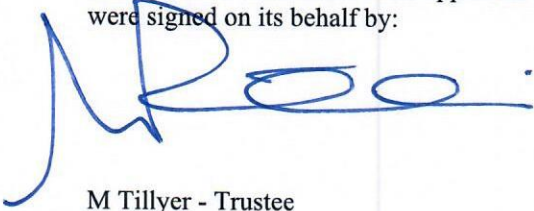
The trustees acknowledge their responsibilities for

- (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.

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

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 19 April 2022 and were signed on its behalf by:



M Tillyer - Trustee

Lakeland Housing Trust

**Cash Flow Statement
for the Year Ended 31 December 2021**

	Notes	31.12.21 £	31.12.20 £
Cash flows from operating activities			
Cash generated from operations	1	691,560	650,458
Interest paid		(8,803)	(2,297)
Net cash provided by operating activities		<u>682,757</u>	<u>648,161</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(537,983)	(708,172)
Interest received		26	30
Net cash used in investing activities		<u>(537,957)</u>	<u>(708,142)</u>
Cash flows from financing activities			
New loans in year		-	50,000
Net cash provided by financing activities		<u>-</u>	<u>50,000</u>
Change in cash and cash equivalents in the reporting period		<u>144,800</u>	<u>(9,981)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>34,382</u>	<u>44,363</u>
Cash and cash equivalents at the end of the reporting period		<u><u>179,182</u></u>	<u><u>34,382</u></u>

The notes form part of these financial statements

Lakeland Housing Trust

Notes to the Cash Flow Statement for the Year Ended 31 December 2021

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

	31.12.21 £	31.12.20 £
Net income for the reporting period (as per the Statement of Financial Activities)	857,515	693,290
Adjustments for:		
Interest received	(26)	(30)
Interest paid	8,803	2,297
Increase in debtors	(199,822)	(31,372)
Increase/(decrease) in creditors	25,090	(13,727)
Net cash provided by operations	<u>691,560</u>	<u>650,458</u>

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

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank	<u>34,382</u>	<u>144,800</u>	<u>179,182</u>
	<u>34,382</u>	<u>144,800</u>	<u>179,182</u>
Debt			
Debts falling due after 1 year	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
Total	<u>(15,618)</u>	<u>144,800</u>	<u>129,182</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2021**

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 2021

2. DONATIONS AND LEGACIES

	31.12.21	31.12.20
	£	£
Donations	2	21
Legacies	644,366	94,751
Transfer of property and funds from Grandy Nook	-	541,919
	<u>644,368</u>	<u>636,691</u>

3. INVESTMENT INCOME

	31.12.21	31.12.20
	£	£
Rents received	231,850	205,662
Deposit account interest	26	30
	<u>231,876</u>	<u>205,692</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.12.21	31.12.20
	£	£
Grants	136,825	-

Grants received, included in the above, are as follows:

	31.12.21	31.12.20
	£	£
SLDC Affordable Housing	<u>136,825</u>	<u>-</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Rental properties	<u>95,240</u>	<u>60,314</u>	<u>155,554</u>

Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

6. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Rental properties	<u>499</u>	<u>8,927</u>	<u>50,888</u>	<u>60,314</u>

7. NET INCOME/(EXPENDITURE)

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

	31.12.21 £	31.12.20 £
Auditors' remuneration	<u>4,358</u>	<u>4,520</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	636,691	-	636,691
Investment income	<u>205,692</u>	<u>-</u>	<u>205,692</u>
Total	<u>842,383</u>	<u>-</u>	<u>842,383</u>

EXPENDITURE ON Charitable activities

Rental properties	149,093	-	149,093
NET INCOME	<u>693,290</u>	<u>-</u>	<u>693,290</u>

RECONCILIATION OF FUNDS

Total funds brought forward	3,982,046	-	3,982,046
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Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
TOTAL FUNDS CARRIED FORWARD	<u>4,675,336</u>	<u>-</u>	<u>4,675,336</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 January 2021	4,671,172
Additions	537,983
At 31 December 2021	<u>5,209,155</u>
NET BOOK VALUE	
At 31 December 2021	<u>5,209,155</u>
At 31 December 2020	<u>4,671,172</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21 £	31.12.20 £
Rent arrears	886	1,801
Prepayments	<u>3,107</u>	<u>2,370</u>
	<u>3,993</u>	<u>4,171</u>

The charity received notification of a further legacy before the year end, but as this was a property which is to be sold at auction to provide funds to reinvest in properties suitable for letting there was no firm price to allow for this to be accrued at the year end. This will be reflected in next year's accounts.

Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20
	£	£
Trade creditors	24,623	6,714
Accrued expenses	14,856	7,675
	<u>39,479</u>	<u>14,389</u>

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

	31.12.21	31.12.20
	£	£
Bank loans (see note 14)	<u>50,000</u>	<u>50,000</u>

14. LOANS

An analysis of the maturity of loans is given below:

	31.12.21	31.12.20
	£	£
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>50,000</u>	<u>50,000</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.21	31.12.20
	£	£
Bank loans	<u>50,000</u>	<u>50,000</u>

The bank loan is secured on seven of the properties owned by the Trust. The loan is limited to £750,000 of which £50,000 was drawn down by the year end. The loan is to be repaid over 264 months with interest charged at 2.5%pa over the Bank of England base rate with a minimum interest rate of 2.5%pa. The first 24 months are on an interest only basis.

Lakeland Housing Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

16. MOVEMENT IN FUNDS

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	4,675,336	490,690	136,825	5,302,851
Restricted funds				
Capital grants	-	136,825	(136,825)	-
Legacy to cover new houses in Grasmere	-	230,000	-	230,000
	-	366,825	(136,825)	230,000
TOTAL FUNDS	<u>4,675,336</u>	<u>857,515</u>	<u>-</u>	<u>5,532,851</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	646,244	(155,554)	490,690
Restricted funds			
Capital grants	136,825	-	136,825
Legacy to cover new houses in Grasmere	230,000	-	230,000
	366,825	-	366,825
TOTAL FUNDS	<u>1,013,069</u>	<u>(155,554)</u>	<u>857,515</u>

Comparatives for 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>

Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

16. MOVEMENT IN FUNDS - continued

Comparative 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>

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

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	3,982,046	1,183,980	136,825	5,302,851
Restricted funds				
Capital grants	-	136,825	(136,825)	-
Legacy to cover new houses in Grasmere	-	230,000	-	230,000
	-	366,825	(136,825)	230,000
TOTAL FUNDS	<u>3,982,046</u>	<u>1,550,805</u>	<u>-</u>	<u>5,532,851</u>

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	1,488,627	(304,647)	1,183,980
Restricted funds			
Capital grants	136,825	-	136,825
Legacy to cover new houses in Grasmere	230,000	-	230,000
	366,825	-	366,825
TOTAL FUNDS	<u>1,855,452</u>	<u>(304,647)</u>	<u>1,550,805</u>

Lakeland Housing Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

17. CAPITAL COMMITMENTS

	31.12.21	31.12.20
	£	£
Contracted but not provided for in the financial statements	<u>50,246</u>	<u>-</u>

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2021.

Lakeland Housing Trust**Detailed Statement of Financial Activities
for the Year Ended 31 December 2021**

	31.12.21 £	31.12.20 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	2	21
Legacies	644,366	94,751
Transfer of property and funds from Grandy Nook	-	541,919
	<u>644,368</u>	<u>636,691</u>
Investment income		
Rents received	231,850	205,662
Deposit account interest	26	30
	<u>231,876</u>	<u>205,692</u>
Charitable activities		
Grants	136,825	-
Total incoming resources	<u>1,013,069</u>	<u>842,383</u>
EXPENDITURE		
Charitable activities		
Rates and property expenses	5,035	8,402
Insurance	8,658	10,569
Property consultancy fees	6,208	31,546
Repairs and maintenance	59,949	42,200
Provision for bad debts	-	(1,150)
Property related legal fees	15,390	-
	<u>95,240</u>	<u>91,567</u>
Support costs		
Management		
Advertising	499	637
Finance		
Bank charges	124	7,645
Bank loan interest	8,803	2,297
	<u>8,927</u>	<u>9,942</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 2021**

	31.12.21 £	31.12.20 £
Finance		
Governance costs		
Auditors' remuneration	4,358	4,520
Legal and professional fees	409	216
Management fees	45,237	41,587
Trustees liability insurance	547	527
Hall hire	337	97
	<u>50,888</u>	<u>46,947</u>
Total resources expended	<u>155,554</u>	<u>149,093</u>
Net income	<u><u>857,515</u></u>	<u><u>693,290</u></u>

This page does not form part of the statutory financial statements

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 2021**

for

**Lakeland Housing Trust
(A Company Limited by Guarantee)**

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

Lakeland Housing Trust

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Lakeland Housing Trust

Reference and Administrative Details for the Year Ended 31 December 2021

TRUSTEES

I R Bonham
R D L Brownson
Mrs H E Caldwell
P Davies
C R A Flanagan
Mrs D A Hall
J M Holmes
N F Hutchinson
Mrs D R Matthews
Ms S McGregor (resigned 16.8.21)
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 2021

The Trustees present their report and the audited financial statements of the charity for the year ended 31 December 2021.

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 52 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.

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 2021

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Developments:

Lakefield, Sawrey

Nos 1 & 1A

The demolition of No.1 and the rebuilt to create 2 No 3 Bedroom Houses was completed during the early part of 2021.

No 2.

The complete refurbishment of this property which is a 2 bedroom house also completed by the middle of 2021.

No.3

This property was reroofed at the same time as the works being carried out in No.2.

Hawthorn Close (Cragfoot, Grasmere).

The development of this site to provide 2 No 3 bedroom houses was progressed throughout 2021 with a completion envisaged early in 2022.

These houses have been built to Passive House standard being to a much higher standard of energy saving than current Building Regs stipulate.

A Grant secured from South Lakeland District Council has helped offset the extraordinary costs of developing this difficult site and building to a much higher specification.

Gable Cottage - Hawkshead.

This property has been extensively refurbished during the latter part of 2021 with completion achieved in the early part of 2022.

Grandy Nook - Kendal.

Planning application for the conversion of the weekend cottage into a single bedroom Bungalow was obtained during the year and the intention is to carry out these works during the latter part of 2022.

Later in the year as Flat C became voided work was commenced to completely remodel this apartment.

Major Upgrades

A variety of upgrades comprising new kitchens, bathrooms and double glazing have been carried out to the following:

2 The Green - Ambleside

High Greenside Cottage - Sawrey

2 Compston Street - Ambleside

12 Loughrigg Park - Ambleside

Kirkfoot Cottage - Ambleside

4 Rydal View - Ambleside

Fundraising activities

The charity does not carry out significant fundraising activities.

Lakeland Housing Trust

Report of the Trustees for the Year Ended 31 December 2021

ACHIEVEMENT AND PERFORMANCE

The Properties:

(a) 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

Electrical inspections were carried out on all properties and, where appropriate, remedial work undertaken.

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.

(b) Rents & 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 £90.00 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.

FINANCIAL REVIEW

Financial 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 a sufficient surplus for the repayment of its borrowings.

The Trust received income of £1,013,069 in the year, higher than the £842,383 received last year as it includes a legacy of £230,000 received on 1 March 2022 but notified before the year end and also included a grant of £136,825 from SLDC Affordable Housing. Rental income was £26,188 higher reflecting the increase in the number of properties to rent.

Running expenses were very similar to last year at £155,554 (2020 - £149,093).

The development costs capitalised were £537,983 in the year compared to £708,172 last year. Despite this there has not been any further draw down on the loan due to the legacies and grants received in the year.

The net surplus transferred to funds was £857,515 (2020 - £693,290).

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 2021

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 were £93,696 (2020 - £4,164). This is equivalent to seven months running costs, but given the ongoing developments is not felt to be excessive.

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

During 2022 major works will be carried out to Ciceley Parrock to provide a ground floor shower room and double-glazed windows.

Also, on this site an existing Septic Tank (serving 5 properties) will be replaced with a Treatment Plant. The necessary Planning Permission has been granted.

A further apartment "A" in Grandy Nook will be fully refurbished.

Quinquennial Survey.

This was commissioned during 2021 and will complete early part of 2022.

This will enable a full 5 year rolling programme of refurbishments to be carried out.

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.

The trustees

The trustees are:

Roger Bonham
Richard Brownson
Helen Caldwell
Peter Davies
Charles Flanagan

Anne Hall

John Holmes

Nigel Hutchinson

Diana Matthews

Shelagh McGregor (Until resignation on 16.8.2021)

Malcolm Tillyer, Chairman

Susan Tomlinson

All trustees provide essential advice and practical support in the running of the Trust.

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 2021

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 transferred from Ingalls Accountants, Kendal to H&H Land & Estates, Kendal in June 2019. This change was necessary as a result of the current and anticipated future growth of the Trust. The relevant experience and expertise of H&H Land and Estates staff has ensured that the Trust continues to be managed effectively.

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, my 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, ably led this Group before passing on the role of Chair to Sue Tomlinson.

The Finance Group is responsible for monitoring and reviewing the financial health of the Trust. Our new trustee, Shelagh McGregor, utilised her experience as head of finance for South Lakes District Council to effectively Chair this group. Shelagh resigned as a trustee on 16th August 2021. Her role was covered by Malcolm Tillyer pending the appointment of a suitably qualified trustee to the role.

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.

Lakeland Housing Trust

Report of the Trustees for the Year Ended 31 December 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 Lakes 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.

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

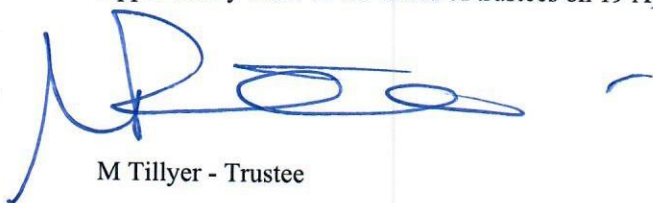
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 19 April 2022 and signed on its 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 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

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

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 specific procedures for this engagement and the extent to which these 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 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:8 August 2022.....

Lakeland Housing Trust

**Statement of Financial Activities
for the Year Ended 31 December 2021**

	Notes	Unrestricted funds £	Restricted funds £	31.12.21 Total funds £	31.12.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	414,368	230,000	644,368	636,691
Charitable activities	4				
Rental properties		-	136,825	136,825	-
Investment income	3	231,876	-	231,876	205,692
Total		<u>646,244</u>	<u>366,825</u>	<u>1,013,069</u>	<u>842,383</u>
EXPENDITURE ON					
Charitable activities	5				
Rental properties		155,554	-	155,554	149,093
NET INCOME		<u>490,690</u>	<u>366,825</u>	<u>857,515</u>	<u>693,290</u>
Transfers between funds	16	136,825	(136,825)	-	-
Net movement in funds		<u>627,515</u>	<u>230,000</u>	<u>857,515</u>	<u>693,290</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		4,675,336	-	4,675,336	3,982,046
TOTAL FUNDS CARRIED FORWARD		<u><u>5,302,851</u></u>	<u><u>230,000</u></u>	<u><u>5,532,851</u></u>	<u><u>4,675,336</u></u>

The notes form part of these financial statements

Lakeland Housing Trust

Balance Sheet 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	31.12.21 Total funds £	31.12.20 Total funds £
FIXED ASSETS					
Tangible assets	10	5,209,155	-	5,209,155	4,671,172
CURRENT ASSETS					
Debtors	11	3,993	-	3,993	4,171
Prepayments and accrued income		-	230,000	230,000	30,000
Cash at bank		<u>179,182</u>	<u>-</u>	<u>179,182</u>	<u>34,382</u>
		183,175	230,000	413,175	68,553
CREDITORS					
Amounts falling due within one year	12	(39,479)	-	(39,479)	(14,389)
NET CURRENT ASSETS		<u>143,696</u>	<u>230,000</u>	<u>373,696</u>	<u>54,164</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,352,851	230,000	5,582,851	4,725,336
CREDITORS					
Amounts falling due after more than one year	13	(50,000)	-	(50,000)	(50,000)
NET ASSETS		<u>5,302,851</u>	<u>230,000</u>	<u>5,532,851</u>	<u>4,675,336</u>
FUNDS	16				
Unrestricted funds				5,302,851	4,675,336
Restricted funds				<u>230,000</u>	<u>-</u>
TOTAL FUNDS				<u>5,532,851</u>	<u>4,675,336</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

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

Lakeland Housing Trust

Balance Sheet - continued
31 December 2021

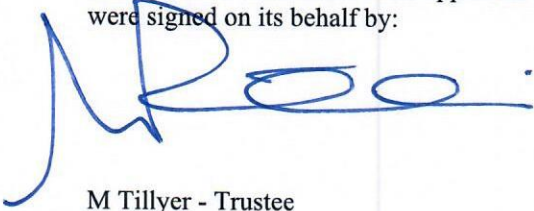
The trustees acknowledge their responsibilities for

- (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.

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

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 19 April 2022 and were signed on its behalf by:



M Tillyer - Trustee

The notes form part of these financial statements

Lakeland Housing Trust

**Cash Flow Statement
for the Year Ended 31 December 2021**

	Notes	31.12.21 £	31.12.20 £
Cash flows from operating activities			
Cash generated from operations	1	691,560	650,458
Interest paid		(8,803)	(2,297)
Net cash provided by operating activities		<u>682,757</u>	<u>648,161</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(537,983)	(708,172)
Interest received		26	30
Net cash used in investing activities		<u>(537,957)</u>	<u>(708,142)</u>
Cash flows from financing activities			
New loans in year		-	50,000
Net cash provided by financing activities		<u>-</u>	<u>50,000</u>
Change in cash and cash equivalents in the reporting period		<u>144,800</u>	<u>(9,981)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>34,382</u>	<u>44,363</u>
Cash and cash equivalents at the end of the reporting period		<u><u>179,182</u></u>	<u><u>34,382</u></u>

The notes form part of these financial statements

Lakeland Housing Trust

Notes to the Cash Flow Statement for the Year Ended 31 December 2021

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

	31.12.21 £	31.12.20 £
Net income for the reporting period (as per the Statement of Financial Activities)	857,515	693,290
Adjustments for:		
Interest received	(26)	(30)
Interest paid	8,803	2,297
Increase in debtors	(199,822)	(31,372)
Increase/(decrease) in creditors	25,090	(13,727)
Net cash provided by operations	<u>691,560</u>	<u>650,458</u>

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

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank	<u>34,382</u>	<u>144,800</u>	<u>179,182</u>
	<u>34,382</u>	<u>144,800</u>	<u>179,182</u>
Debt			
Debts falling due after 1 year	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
Total	<u>(15,618)</u>	<u>144,800</u>	<u>129,182</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2021**

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 2021

2. DONATIONS AND LEGACIES

	31.12.21	31.12.20
	£	£
Donations	2	21
Legacies	644,366	94,751
Transfer of property and funds from Grandy Nook	-	541,919
	<u>644,368</u>	<u>636,691</u>

3. INVESTMENT INCOME

	31.12.21	31.12.20
	£	£
Rents received	231,850	205,662
Deposit account interest	26	30
	<u>231,876</u>	<u>205,692</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.12.21	31.12.20
	£	£
Grants	136,825	-

Grants received, included in the above, are as follows:

	31.12.21	31.12.20
	£	£
SLDC Affordable Housing	136,825	-

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Rental properties	<u>95,240</u>	<u>60,314</u>	<u>155,554</u>

Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

6. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Rental properties	<u>499</u>	<u>8,927</u>	<u>50,888</u>	<u>60,314</u>

7. NET INCOME/(EXPENDITURE)

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

	31.12.21 £	31.12.20 £
Auditors' remuneration	<u>4,358</u>	<u>4,520</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	636,691	-	636,691
Investment income	<u>205,692</u>	<u>-</u>	<u>205,692</u>
Total	<u>842,383</u>	<u>-</u>	<u>842,383</u>

EXPENDITURE ON Charitable activities

Rental properties	149,093	-	149,093
NET INCOME	<u>693,290</u>	<u>-</u>	<u>693,290</u>

RECONCILIATION OF FUNDS

Total funds brought forward	3,982,046	-	3,982,046
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Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
TOTAL FUNDS CARRIED FORWARD	<u>4,675,336</u>	<u>-</u>	<u>4,675,336</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 January 2021	4,671,172
Additions	537,983
At 31 December 2021	<u>5,209,155</u>
NET BOOK VALUE	
At 31 December 2021	<u>5,209,155</u>
At 31 December 2020	<u>4,671,172</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21 £	31.12.20 £
Rent arrears	886	1,801
Prepayments	<u>3,107</u>	<u>2,370</u>
	<u>3,993</u>	<u>4,171</u>

The charity received notification of a further legacy before the year end, but as this was a property which is to be sold at auction to provide funds to reinvest in properties suitable for letting there was no firm price to allow for this to be accrued at the year end. This will be reflected in next year's accounts.

Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20
	£	£
Trade creditors	24,623	6,714
Accrued expenses	14,856	7,675
	<u>39,479</u>	<u>14,389</u>

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

	31.12.21	31.12.20
	£	£
Bank loans (see note 14)	<u>50,000</u>	<u>50,000</u>

14. LOANS

An analysis of the maturity of loans is given below:

	31.12.21	31.12.20
	£	£
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>50,000</u>	<u>50,000</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.21	31.12.20
	£	£
Bank loans	<u>50,000</u>	<u>50,000</u>

The bank loan is secured on seven of the properties owned by the Trust. The loan is limited to £750,000 of which £50,000 was drawn down by the year end. The loan is to be repaid over 264 months with interest charged at 2.5%pa over the Bank of England base rate with a minimum interest rate of 2.5%pa. The first 24 months are on an interest only basis.

Lakeland Housing Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

16. MOVEMENT IN FUNDS

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	4,675,336	490,690	136,825	5,302,851
Restricted funds				
Capital grants	-	136,825	(136,825)	-
Legacy to cover new houses in Grasmere	-	230,000	-	230,000
	-	366,825	(136,825)	230,000
TOTAL FUNDS	<u>4,675,336</u>	<u>857,515</u>	<u>-</u>	<u>5,532,851</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	646,244	(155,554)	490,690
Restricted funds			
Capital grants	136,825	-	136,825
Legacy to cover new houses in Grasmere	230,000	-	230,000
	366,825	-	366,825
TOTAL FUNDS	<u>1,013,069</u>	<u>(155,554)</u>	<u>857,515</u>

Comparatives for 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>

Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

16. MOVEMENT IN FUNDS - continued

Comparative 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>

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

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	3,982,046	1,183,980	136,825	5,302,851
Restricted funds				
Capital grants	-	136,825	(136,825)	-
Legacy to cover new houses in Grasmere	-	230,000	-	230,000
	-	366,825	(136,825)	230,000
TOTAL FUNDS	<u>3,982,046</u>	<u>1,550,805</u>	<u>-</u>	<u>5,532,851</u>

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	1,488,627	(304,647)	1,183,980
Restricted funds			
Capital grants	136,825	-	136,825
Legacy to cover new houses in Grasmere	230,000	-	230,000
	366,825	-	366,825
TOTAL FUNDS	<u>1,855,452</u>	<u>(304,647)</u>	<u>1,550,805</u>

Lakeland Housing Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

17. CAPITAL COMMITMENTS

	31.12.21	31.12.20
	£	£
Contracted but not provided for in the financial statements	<u>50,246</u>	<u>-</u>

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2021.

Lakeland Housing Trust**Detailed Statement of Financial Activities
for the Year Ended 31 December 2021**

	31.12.21 £	31.12.20 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	2	21
Legacies	644,366	94,751
Transfer of property and funds from Grandy Nook	-	541,919
	<u>644,368</u>	<u>636,691</u>
Investment income		
Rents received	231,850	205,662
Deposit account interest	26	30
	<u>231,876</u>	<u>205,692</u>
Charitable activities		
Grants	136,825	-
Total incoming resources	<u>1,013,069</u>	<u>842,383</u>
EXPENDITURE		
Charitable activities		
Rates and property expenses	5,035	8,402
Insurance	8,658	10,569
Property consultancy fees	6,208	31,546
Repairs and maintenance	59,949	42,200
Provision for bad debts	-	(1,150)
Property related legal fees	15,390	-
	<u>95,240</u>	<u>91,567</u>
Support costs		
Management		
Advertising	499	637
Finance		
Bank charges	124	7,645
Bank loan interest	8,803	2,297
	<u>8,927</u>	<u>9,942</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 2021**

	31.12.21 £	31.12.20 £
Finance		
Governance costs		
Auditors' remuneration	4,358	4,520
Legal and professional fees	409	216
Management fees	45,237	41,587
Trustees liability insurance	547	527
Hall hire	337	97
	<u>50,888</u>	<u>46,947</u>
Total resources expended	<u>155,554</u>	<u>149,093</u>
Net income	<u><u>857,515</u></u>	<u><u>693,290</u></u>

This page does not form part of the statutory financial statements



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

16 June 2022

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 2021 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,

SIGNIFICANT MATTERS RELEVANT TO OUR AUDIT FOR THE YEAR ENDED 31 DECEMBER 2021

Audit Approach

Our general audit approach was determined by our assessment of the audit risk, both in terms of the potential misstatement in the financial statements and of the control environment in which the company operates.

To summarise our approach, we:

- updated our understanding of the business and its environment;
- reviewed the design and implementation of key internal financial control systems; and
- planned and performed an audit with professional scepticism recognising that circumstances may exist that cause the financial statements to be materially misstated.

Significant risks arise on most audits and are often derived from business risks that may result in a material misstatement, relate to unusual transactions that occur infrequently, or judgemental matters where measurement is uncertain. In areas where we identified the potential for significant risk, we extended our audit testing to include more detailed substantive work. Our work in other areas was proportionally less.

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements. In general, misstatements, including omissions, are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in the light of surrounding circumstances and are affected by our perception of the financial information needs of users of the financial statements, and by the size or nature of a misstatement, or a combination of both.

There were no changes to our audit approach as discussed at our meeting.

Summary of significant audit findings

Nothing has been noted.

Internal controls

The purpose of the audit was for us to express an opinion on the financial statements. The audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Our audit is, therefore, not designed to identify all control weaknesses and the matters reported below are limited to those deficiencies that we have identified during the audit.

Control weakness identified	Potential implications and recommendations	Management response
Legacies notified before the year end must be recognized in the accounts where the amount can be determined with accuracy.	A legacy notified before the year end for a property called Middle Bleansley has been brought into these accounts as a result of the audit which will result in the management accounts recording the legacy later than the statutory accounts.	
The charity name at Companies House is "Lakeland Housing Trust" but the name at the Charity Commission is "The Lakeland Housing Trust".	Ideally the charity name should be the same on both platforms as this could cause issues in the future.	

Summary of audit differences and draft letter of representation

All errors that were not trivial have been adjusted. The remaining trivial errors were under £200.

We have also attached a draft letter of management representations required in connection with our audit.

Outstanding Matters

Prior to issuing our audit report we require:

- the signed letter of representation

Anticipated audit report

We anticipate that we will issue an unmodified audit report for the year, subject to the satisfactory clearance of any outstanding/unresolved the matters outlined in this report.