

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 2022
for
Lakeland Housing Trust
(A Company Limited by Guarantee)

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

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for the Year Ended 31 December 2022**

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Lakeland Housing Trust

**Reference and Administrative Details
for the Year Ended 31 December 2022**

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
M Tillyer
Mrs S M Tomlinson
B R P Dobson (appointed 17.1.22)
Mrs M Johnston (appointed 25.7.22)
J H Law (appointed 3.3.22)

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 2022

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 53 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.

Volunteers

The trustees are all volunteers and provide essential advice and practical support in the running of the Trust.

Lakeland Housing Trust

Report of the Trustees for the Year Ended 31 December 2022

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Developments:

Hawthorn Close (Cragfoot, Grasmere).

The development of this site to provide two 3-bedroom houses completed in early 2022 and two young families are now tenants at the properties.

These houses have been built to Passive House standard (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.

Purchase of 2, New Street Yard, Broughton in Furness.

Middle Bleansley, Broughton Mills was bequeathed to the Trust during 2022. The property is very large, isolated and in a poor state. Trustees considered that it was not suitable for the LHT. It was sold and the funds used to purchase 2, New Street, Broughton in Furness.

Gable Cottage - Hawkshead.

This property was extensively refurbished during the latter part of 2021 and completed in 2022. New tenants now live there.

Ciceley Parrock, Troutbeck & Grandy Nook Kendal

A variety of upgrades comprising new kitchens, bathrooms and double glazing have been carried out.

Quinquennial Surveys.

These were commissioned during 2021 completed during 2022.

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

Fundraising activities

The charity does not carry out significant fundraising activities. However, a recent focus on media and marketing activities has led to financial donations and offers to sell homes at significantly below market value.

The Properties:

(a) Repairs and Improvements

Most of the properties have now been brought up to the standards required by legislation. Over 90% 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 £94.00 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.

Lakeland Housing Trust

Report of the Trustees for the Year Ended 31 December 2022

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 £756,445 in the year, lower than the £1,013,069 received last year as it included a legacy of £230,000 received on 1 March 2022. Rental income was £13,148 higher reflecting the increase in the number of properties to rent.

Running expenses were slightly higher than last year at £162,328 (2021 - £155,055). There was also £8,018 spent on the local occupancy project (2021 - Nil).

The development costs capitalised were £282,066 in the year compared to £537,983 last year.

The net surplus transferred to funds was £575,386 (2021 - £857,515).

Principal funding sources

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

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 £617,016 (2021 - £93,696). This is equivalent to forty-six months running costs, however the trustees are looking into the best use of these new funds in terms of development and new housing opportunities.

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

Media & Marketing

The Trust is investing more time in Media & Marketing initiatives and this is already bearing fruit - leading to a property soon to be purchased at significantly below market value in Windermere, as well as other financial donations.

Unilateral Undertaking for Local Occupancy

Progress partnership with LDNPA - implementing an LHT initiative which will encourage owners to place Unilateral Undertakings for Local Occupancy on their properties.

Neaum Hurst Development

The long-term tenant at 4, Neaum Hurst died during 2022. The property, together with adjoining outhouses will be converted into two one bedroomed properties.

House in Windermere

It is likely that in 2023 the Trust will purchase a house in Windermere at significantly below market value. It will be subject to full renovation.

Three new Trustees will be appointed at the AGM on 16th May 2023.

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.

Lakeland Housing Trust

Report of the Trustees for the Year Ended 31 December 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

New trustees are nominated and appointed by the existing trustees.

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 due to 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, Sue Tomlinson has ably led this Group.

The Finance Group is responsible for monitoring and reviewing the financial health of the Trust. Our new trustee, James Law, who has his own accountancy business, has provided excellent support and advice and worked effectively with H&H Client Account Manager, Karen Philipson

The Trust's solicitors, Temple Heelis have continued to provide essential legal advice.

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.

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 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).

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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.

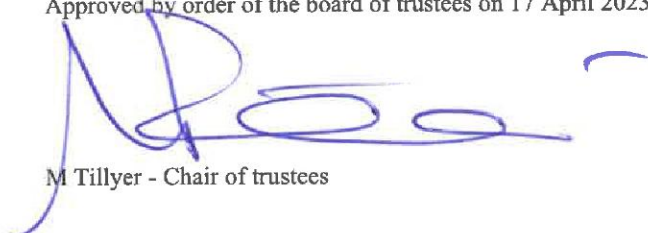
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 17 April 2023 and signed on its behalf by:



M Tillyer - Chair of trustees

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 2022 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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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.

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

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.

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:

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.

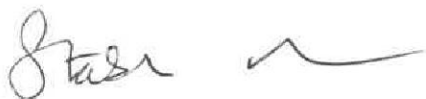
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance 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: 22 May 2023

Lakeland Housing Trust

Statement of Financial Activities for the Year Ended 31 December 2022

	Notes	Unrestricted funds £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	427,366	-	427,366	644,368
Charitable activities	4				
Rental properties		-	-	-	136,825
Investment income	3	245,720	-	245,720	231,876
Other income	5	83,358	-	83,358	-
Total		<u>756,444</u>	<u>-</u>	<u>756,444</u>	<u>1,013,069</u>
EXPENDITURE ON					
Raising funds	6	10,713	-	10,713	499
Charitable activities	7				
Rental properties		162,327	-	162,327	155,055
Local occupancy project		8,018	-	8,018	-
Total		<u>181,058</u>	<u>-</u>	<u>181,058</u>	<u>155,554</u>
NET INCOME		575,386	-	575,386	857,515
Transfers between funds	19	230,000	(230,000)	-	-
Net movement in funds		<u>805,386</u>	<u>(230,000)</u>	<u>575,386</u>	<u>857,515</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		5,302,851	230,000	5,532,851	4,675,336
TOTAL FUNDS CARRIED FORWARD		<u><u>6,108,237</u></u>	<u><u>-</u></u>	<u><u>6,108,237</u></u>	<u><u>5,532,851</u></u>

The notes form part of these financial statements

Lakeland Housing Trust

Balance Sheet 31 December 2022

	Notes	Unrestricted funds £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
FIXED ASSETS					
Tangible assets	13	5,491,221	-	5,491,221	5,209,155
CURRENT ASSETS					
Debtors	14	7,172	-	7,172	3,993
Prepayments and accrued income		-	-	-	230,000
Cash at bank		1,395,916	-	1,395,916	179,182
		<u>1,403,088</u>	<u>-</u>	<u>1,403,088</u>	<u>413,175</u>
CREDITORS					
Amounts falling due within one year	15	(70,251)	-	(70,251)	(39,479)
NET CURRENT ASSETS		<u>1,332,837</u>	<u>-</u>	<u>1,332,837</u>	<u>373,696</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,824,058	-	6,824,058	5,582,851
CREDITORS					
Amounts falling due after more than one year	16	(715,821)	-	(715,821)	(50,000)
NET ASSETS FUNDS		<u>6,108,237</u>	<u>-</u>	<u>6,108,237</u>	<u>5,532,851</u>
Unrestricted funds	19			6,108,237	5,302,851
Restricted funds				-	230,000
TOTAL FUNDS				<u>6,108,237</u>	<u>5,532,851</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2022.

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

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- 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.

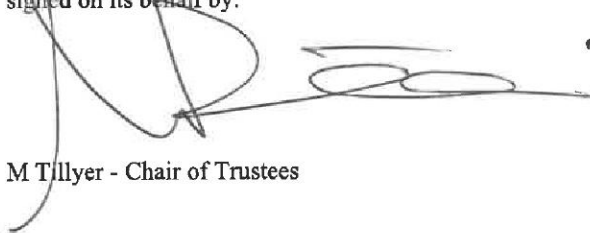
The notes form part of these financial statements

Lakeland Housing Trust

Balance Sheet - continued
31 December 2022

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 17 April 2023 and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'M Tillyer', written over a horizontal line.

M Tillyer - Chair of Trustees

Lakeland Housing Trust

**Cash Flow Statement
for the Year Ended 31 December 2022**

	Notes	31.12.22 £	31.12.21 £
Cash flows from operating activities			
Cash generated from operations	1	753,613	691,560
Interest paid		(27,650)	(8,803)
Net cash provided by operating activities		<u>725,963</u>	<u>682,757</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(672,066)	(537,983)
Sale of tangible fixed assets		473,358	-
Interest received		510	26
Net cash used in investing activities		<u>(198,198)</u>	<u>(537,957)</u>
Cash flows from financing activities			
New loans in year		700,000	-
Loan repayments in year		(11,031)	-
Net cash provided by financing activities		<u>688,969</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>1,216,734</u>	<u>144,800</u>
Cash and cash equivalents at the beginning of the reporting period		<u>179,182</u>	<u>34,382</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,395,916</u></u>	<u><u>179,182</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 2022

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

	31.12.22	31.12.21
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	575,386	857,515
Adjustments for:		
Profit on disposal of fixed assets	(83,358)	-
Interest received	(510)	(26)
Interest paid	27,650	8,803
Decrease/(increase) in debtors	226,821	(199,822)
Increase in creditors	7,624	25,090
Net cash provided by operations	<u>753,613</u>	<u>691,560</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank	<u>179,182</u>	<u>1,216,734</u>	<u>1,395,916</u>
	<u>179,182</u>	<u>1,216,734</u>	<u>1,395,916</u>
Debt			
Debts falling due within 1 year	-	(23,148)	(23,148)
Debts falling due after 1 year	<u>(50,000)</u>	<u>(665,821)</u>	<u>(715,821)</u>
	<u>(50,000)</u>	<u>(688,969)</u>	<u>(738,969)</u>
Total	<u>129,182</u>	<u>527,765</u>	<u>656,947</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2022**

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.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP. Further detail is given in the Trustees' Annual Report.

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

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

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 and as such any depreciation would not be material.

Taxation

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

Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

1. ACCOUNTING POLICIES - continued

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.

2. DONATIONS AND LEGACIES

	31.12.22	31.12.21
	£	£
Donations	354	2
Legacies	427,012	644,366
	<u>427,366</u>	<u>644,368</u>

3. INVESTMENT INCOME

	31.12.22	31.12.21
	£	£
Rents received	245,210	231,850
Deposit account interest	510	26
	<u>245,720</u>	<u>231,876</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.12.22	31.12.21
	£	£
Grants	-	136,825

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

	31.12.22	31.12.21
	£	£
SLDC Affordable Housing	-	136,825

5. OTHER INCOME

	31.12.22	31.12.21
	£	£
Gain on sale of tangible fixed assets	83,358	-

Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

6. RAISING FUNDS

Raising donations and legacies

	31.12.22	31.12.21
	£	£
Support costs	<u>10,713</u>	<u>499</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Rental properties	81,175	81,152	162,327
Local occupancy project	8,018	-	8,018
	<u>89,193</u>	<u>81,152</u>	<u>170,345</u>

8. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Raising donations and legacies	10,713	-	-	10,713
Rental properties	-	27,865	53,287	81,152
	<u>10,713</u>	<u>27,865</u>	<u>53,287</u>	<u>91,865</u>

9. NET INCOME/(EXPENDITURE)

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

	31.12.22	31.12.21
	£	£
Auditors' remuneration	5,781	4,358
Surplus on disposal of fixed assets	<u>(83,358)</u>	<u>-</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

	31.12.22	31.12.21
	£	£
Trustees' expenses	<u>764</u>	<u>-</u>

Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

11. MATERIAL TRANSFERS

The restricted legacy of £230,000 received was spent in the year on the properties at Hawthorne Close in accordance with the donor's wishes and so has been transferred to unrestricted funds.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	414,368	230,000	644,368
Charitable activities			
Rental properties	-	136,825	136,825
Investment income	231,876	-	231,876
Total	<u>646,244</u>	<u>366,825</u>	<u>1,013,069</u>
EXPENDITURE ON			
Raising funds	499	-	499
Charitable activities			
Rental properties	155,055	-	155,055
Total	<u>155,554</u>	<u>-</u>	<u>155,554</u>
NET INCOME	490,690	366,825	857,515
Transfers between funds	136,825	(136,825)	-
Net movement in funds	<u>627,515</u>	<u>230,000</u>	<u>857,515</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	4,675,336	-	4,675,336
TOTAL FUNDS CARRIED FORWARD	<u>5,302,851</u>	<u>230,000</u>	<u>5,532,851</u>

13. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 January 2022	5,209,155
Additions	672,066
Disposals	(390,000)
At 31 December 2022	<u>5,491,221</u>
NET BOOK VALUE	
At 31 December 2022	<u>5,491,221</u>
At 31 December 2021	<u>5,209,155</u>

Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Rent arrears	2,113	886
Prepayments	5,059	3,107
	<u>7,172</u>	<u>3,993</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.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Bank loans and overdrafts (see note 17)	23,148	-
Trade creditors	39,053	24,623
Accrued expenses	8,050	14,856
	<u>70,251</u>	<u>39,479</u>

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

	31.12.22	31.12.21
	£	£
Bank loans (see note 17)	<u>715,821</u>	<u>50,000</u>

17. LOANS

An analysis of the maturity of loans is given below:

	31.12.22	31.12.21
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>23,148</u>	<u>-</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>23,148</u>	<u>50,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>69,443</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	623,230	-

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

18. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.22 £	31.12.21 £
Bank loans	<u>738,969</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 £750,000 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.

19. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	5,302,851	575,386	230,000	6,108,237
Restricted funds				
Legacy to cover new houses in Grasmere	230,000	-	(230,000)	-
TOTAL FUNDS	<u>5,532,851</u>	<u>575,386</u>	<u>-</u>	<u>6,108,237</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	756,444	(181,058)	575,386
TOTAL FUNDS	<u>756,444</u>	<u>(181,058)</u>	<u>575,386</u>

Comparatives for 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>

Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

19. 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	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
	<u>366,825</u>	<u>-</u>	<u>366,825</u>
TOTAL FUNDS	<u>1,013,069</u>	<u>(155,554)</u>	<u>857,515</u>

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

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	4,675,336	1,066,076	366,825	6,108,237
Restricted funds				
Capital grants	-	136,825	(136,825)	-
Legacy to cover new houses in Grasmere	-	230,000	(230,000)	-
	<u>-</u>	<u>366,825</u>	<u>(366,825)</u>	<u>-</u>
TOTAL FUNDS	<u>4,675,336</u>	<u>1,432,901</u>	<u>-</u>	<u>6,108,237</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	1,402,688	(336,612)	1,066,076
Restricted funds			
Capital grants	136,825	-	136,825
Legacy to cover new houses in Grasmere	230,000	-	230,000
	<u>366,825</u>	<u>-</u>	<u>366,825</u>
TOTAL FUNDS	<u>1,769,513</u>	<u>(336,612)</u>	<u>1,432,901</u>

Lakeland Housing Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

20. CAPITAL COMMITMENTS

	31.12.22	31.12.21
	£	£
Contracted but not provided for in the financial statements	<u>50,246</u>	<u>50,246</u>

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2022.

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 2022
for
Lakeland Housing Trust
(A Company Limited by Guarantee)

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

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for the Year Ended 31 December 2022**

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Lakeland Housing Trust

**Reference and Administrative Details
for the Year Ended 31 December 2022**

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
M Tillyer
Mrs S M Tomlinson
B R P Dobson (appointed 17.1.22)
Mrs M Johnston (appointed 25.7.22)
J H Law (appointed 3.3.22)

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 2022

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 53 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.

Volunteers

The trustees are all volunteers and provide essential advice and practical support in the running of the Trust.

Lakeland Housing Trust

Report of the Trustees for the Year Ended 31 December 2022

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Developments:

Hawthorn Close (Cragfoot, Grasmere).

The development of this site to provide two 3-bedroom houses completed in early 2022 and two young families are now tenants at the properties.

These houses have been built to Passive House standard (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.

Purchase of 2, New Street Yard, Broughton in Furness.

Middle Bleansley, Broughton Mills was bequeathed to the Trust during 2022. The property is very large, isolated and in a poor state. Trustees considered that it was not suitable for the LHT. It was sold and the funds used to purchase 2, New Street, Broughton in Furness.

Gable Cottage - Hawkshead.

This property was extensively refurbished during the latter part of 2021 and completed in 2022. New tenants now live there.

Ciceley Parrock, Troutbeck & Grandy Nook Kendal

A variety of upgrades comprising new kitchens, bathrooms and double glazing have been carried out.

Quinquennial Surveys.

These were commissioned during 2021 completed during 2022.

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

Fundraising activities

The charity does not carry out significant fundraising activities. However, a recent focus on media and marketing activities has led to financial donations and offers to sell homes at significantly below market value.

The Properties:

(a) Repairs and Improvements

Most of the properties have now been brought up to the standards required by legislation. Over 90% 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 £94.00 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.

Lakeland Housing Trust

Report of the Trustees for the Year Ended 31 December 2022

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 £756,445 in the year, lower than the £1,013,069 received last year as it included a legacy of £230,000 received on 1 March 2022. Rental income was £13,148 higher reflecting the increase in the number of properties to rent.

Running expenses were slightly higher than last year at £162,328 (2021 - £155,055). There was also £8,018 spent on the local occupancy project (2021 - Nil).

The development costs capitalised were £282,066 in the year compared to £537,983 last year.

The net surplus transferred to funds was £575,386 (2021 - £857,515).

Principal funding sources

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

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 £617,016 (2021 - £93,696). This is equivalent to forty-six months running costs, however the trustees are looking into the best use of these new funds in terms of development and new housing opportunities.

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

Media & Marketing

The Trust is investing more time in Media & Marketing initiatives and this is already bearing fruit - leading to a property soon to be purchased at significantly below market value in Windermere, as well as other financial donations.

Unilateral Undertaking for Local Occupancy

Progress partnership with LDNPA - implementing an LHT initiative which will encourage owners to place Unilateral Undertakings for Local Occupancy on their properties.

Neaum Hurst Development

The long-term tenant at 4, Neaum Hurst died during 2022. The property, together with adjoining outhouses will be converted into two one bedroomed properties.

House in Windermere

It is likely that in 2023 the Trust will purchase a house in Windermere at significantly below market value. It will be subject to full renovation.

Three new Trustees will be appointed at the AGM on 16th May 2023.

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.

Lakeland Housing Trust

Report of the Trustees for the Year Ended 31 December 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

New trustees are nominated and appointed by the existing trustees.

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 due to 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, Sue Tomlinson has ably led this Group.

The Finance Group is responsible for monitoring and reviewing the financial health of the Trust. Our new trustee, James Law, who has his own accountancy business, has provided excellent support and advice and worked effectively with H&H Client Account Manager, Karen Philipson

The Trust's solicitors, Temple Heelis have continued to provide essential legal advice.

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.

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 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).

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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.

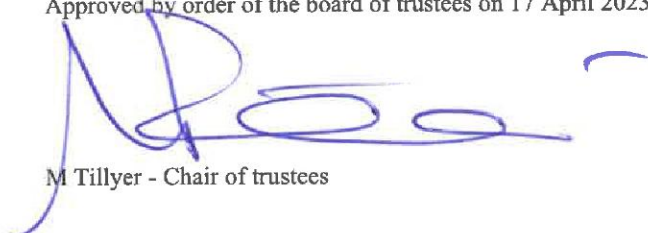
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 17 April 2023 and signed on its behalf by:



M Tillyer - Chair of trustees

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 2022 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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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.

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

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.

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:

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.

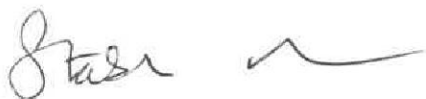
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance 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: 22 May 2023

Lakeland Housing Trust

Statement of Financial Activities for the Year Ended 31 December 2022

	Notes	Unrestricted funds £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	427,366	-	427,366	644,368
Charitable activities	4				
Rental properties		-	-	-	136,825
Investment income	3	245,720	-	245,720	231,876
Other income	5	83,358	-	83,358	-
Total		<u>756,444</u>	<u>-</u>	<u>756,444</u>	<u>1,013,069</u>
EXPENDITURE ON					
Raising funds	6	10,713	-	10,713	499
Charitable activities	7				
Rental properties		162,327	-	162,327	155,055
Local occupancy project		8,018	-	8,018	-
Total		<u>181,058</u>	<u>-</u>	<u>181,058</u>	<u>155,554</u>
NET INCOME		575,386	-	575,386	857,515
Transfers between funds	19	230,000	(230,000)	-	-
Net movement in funds		<u>805,386</u>	<u>(230,000)</u>	<u>575,386</u>	<u>857,515</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		5,302,851	230,000	5,532,851	4,675,336
TOTAL FUNDS CARRIED FORWARD		<u>6,108,237</u>	<u>-</u>	<u>6,108,237</u>	<u>5,532,851</u>

The notes form part of these financial statements

Lakeland Housing Trust

Balance Sheet 31 December 2022

	Notes	Unrestricted funds £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
FIXED ASSETS					
Tangible assets	13	5,491,221	-	5,491,221	5,209,155
CURRENT ASSETS					
Debtors	14	7,172	-	7,172	3,993
Prepayments and accrued income		-	-	-	230,000
Cash at bank		1,395,916	-	1,395,916	179,182
		<u>1,403,088</u>	<u>-</u>	<u>1,403,088</u>	<u>413,175</u>
CREDITORS					
Amounts falling due within one year	15	(70,251)	-	(70,251)	(39,479)
NET CURRENT ASSETS		<u>1,332,837</u>	<u>-</u>	<u>1,332,837</u>	<u>373,696</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,824,058	-	6,824,058	5,582,851
CREDITORS					
Amounts falling due after more than one year	16	(715,821)	-	(715,821)	(50,000)
NET ASSETS FUNDS		<u>6,108,237</u>	<u>-</u>	<u>6,108,237</u>	<u>5,532,851</u>
Unrestricted funds	19			6,108,237	5,302,851
Restricted funds				-	230,000
TOTAL FUNDS				<u>6,108,237</u>	<u>5,532,851</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2022.

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

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- 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.

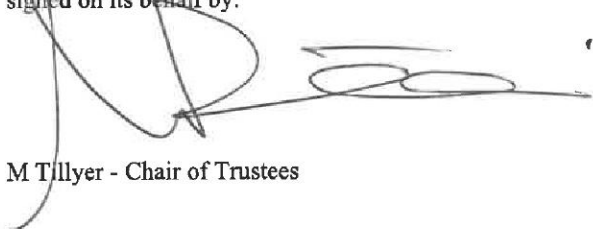
The notes form part of these financial statements

Lakeland Housing Trust

Balance Sheet - continued
31 December 2022

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 17 April 2023 and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'M Tillyer', written over a horizontal line.

M Tillyer - Chair of Trustees

Lakeland Housing Trust

**Cash Flow Statement
for the Year Ended 31 December 2022**

	Notes	31.12.22 £	31.12.21 £
Cash flows from operating activities			
Cash generated from operations	1	753,613	691,560
Interest paid		(27,650)	(8,803)
Net cash provided by operating activities		<u>725,963</u>	<u>682,757</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(672,066)	(537,983)
Sale of tangible fixed assets		473,358	-
Interest received		510	26
Net cash used in investing activities		<u>(198,198)</u>	<u>(537,957)</u>
Cash flows from financing activities			
New loans in year		700,000	-
Loan repayments in year		(11,031)	-
Net cash provided by financing activities		<u>688,969</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>1,216,734</u>	<u>144,800</u>
Cash and cash equivalents at the beginning of the reporting period		<u>179,182</u>	<u>34,382</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,395,916</u></u>	<u><u>179,182</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 2022

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

	31.12.22	31.12.21
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	575,386	857,515
Adjustments for:		
Profit on disposal of fixed assets	(83,358)	-
Interest received	(510)	(26)
Interest paid	27,650	8,803
Decrease/(increase) in debtors	226,821	(199,822)
Increase in creditors	7,624	25,090
Net cash provided by operations	<u>753,613</u>	<u>691,560</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank	<u>179,182</u>	<u>1,216,734</u>	<u>1,395,916</u>
	<u>179,182</u>	<u>1,216,734</u>	<u>1,395,916</u>
Debt			
Debts falling due within 1 year	-	(23,148)	(23,148)
Debts falling due after 1 year	<u>(50,000)</u>	<u>(665,821)</u>	<u>(715,821)</u>
	<u>(50,000)</u>	<u>(688,969)</u>	<u>(738,969)</u>
Total	<u>129,182</u>	<u>527,765</u>	<u>656,947</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2022**

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.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP. Further detail is given in the Trustees' Annual Report.

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

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

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 and as such any depreciation would not be material.

Taxation

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

Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

1. ACCOUNTING POLICIES - continued

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.

2. DONATIONS AND LEGACIES

	31.12.22	31.12.21
	£	£
Donations	354	2
Legacies	427,012	644,366
	<u>427,366</u>	<u>644,368</u>

3. INVESTMENT INCOME

	31.12.22	31.12.21
	£	£
Rents received	245,210	231,850
Deposit account interest	510	26
	<u>245,720</u>	<u>231,876</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.12.22	31.12.21
	£	£
Grants	-	136,825

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

	31.12.22	31.12.21
	£	£
SLDC Affordable Housing	-	136,825

5. OTHER INCOME

	31.12.22	31.12.21
	£	£
Gain on sale of tangible fixed assets	83,358	-

Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

6. RAISING FUNDS

Raising donations and legacies

	31.12.22	31.12.21
	£	£
Support costs	<u>10,713</u>	<u>499</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Rental properties	81,175	81,152	162,327
Local occupancy project	<u>8,018</u>	<u>-</u>	<u>8,018</u>
	<u>89,193</u>	<u>81,152</u>	<u>170,345</u>

8. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Raising donations and legacies	10,713	-	-	10,713
Rental properties	<u>-</u>	<u>27,865</u>	<u>53,287</u>	<u>81,152</u>
	<u>10,713</u>	<u>27,865</u>	<u>53,287</u>	<u>91,865</u>

9. NET INCOME/(EXPENDITURE)

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

	31.12.22	31.12.21
	£	£
Auditors' remuneration	5,781	4,358
Surplus on disposal of fixed assets	<u>(83,358)</u>	<u>-</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

	31.12.22	31.12.21
	£	£
Trustees' expenses	<u>764</u>	<u>-</u>

Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

11. MATERIAL TRANSFERS

The restricted legacy of £230,000 received was spent in the year on the properties at Hawthorne Close in accordance with the donor's wishes and so has been transferred to unrestricted funds.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	414,368	230,000	644,368
Charitable activities			
Rental properties	-	136,825	136,825
Investment income	231,876	-	231,876
Total	<u>646,244</u>	<u>366,825</u>	<u>1,013,069</u>
EXPENDITURE ON			
Raising funds	499	-	499
Charitable activities			
Rental properties	155,055	-	155,055
Total	<u>155,554</u>	<u>-</u>	<u>155,554</u>
NET INCOME	490,690	366,825	857,515
Transfers between funds	136,825	(136,825)	-
Net movement in funds	<u>627,515</u>	<u>230,000</u>	<u>857,515</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	4,675,336	-	4,675,336
TOTAL FUNDS CARRIED FORWARD	<u>5,302,851</u>	<u>230,000</u>	<u>5,532,851</u>

13. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 January 2022	5,209,155
Additions	672,066
Disposals	(390,000)
At 31 December 2022	<u>5,491,221</u>
NET BOOK VALUE	
At 31 December 2022	<u>5,491,221</u>
At 31 December 2021	<u>5,209,155</u>

Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Rent arrears	2,113	886
Prepayments	5,059	3,107
	<u>7,172</u>	<u>3,993</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.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Bank loans and overdrafts (see note 17)	23,148	-
Trade creditors	39,053	24,623
Accrued expenses	8,050	14,856
	<u>70,251</u>	<u>39,479</u>

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

	31.12.22	31.12.21
	£	£
Bank loans (see note 17)	<u>715,821</u>	<u>50,000</u>

17. LOANS

An analysis of the maturity of loans is given below:

	31.12.22	31.12.21
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>23,148</u>	-
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>23,148</u>	<u>50,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>69,443</u>	-
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	623,230	-

Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

18. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.22 £	31.12.21 £
Bank loans	<u>738,969</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 £750,000 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.

19. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	5,302,851	575,386	230,000	6,108,237
Restricted funds				
Legacy to cover new houses in Grasmere	230,000	-	(230,000)	-
TOTAL FUNDS	<u>5,532,851</u>	<u>575,386</u>	<u>-</u>	<u>6,108,237</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	756,444	(181,058)	575,386
TOTAL FUNDS	<u>756,444</u>	<u>(181,058)</u>	<u>575,386</u>

Comparatives for 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>

Lakeland Housing Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

19. 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	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
	<u>366,825</u>	<u>-</u>	<u>366,825</u>
TOTAL FUNDS	<u>1,013,069</u>	<u>(155,554)</u>	<u>857,515</u>

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

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	4,675,336	1,066,076	366,825	6,108,237
Restricted funds				
Capital grants	-	136,825	(136,825)	-
Legacy to cover new houses in Grasmere	-	230,000	(230,000)	-
	<u>-</u>	<u>366,825</u>	<u>(366,825)</u>	<u>-</u>
TOTAL FUNDS	<u>4,675,336</u>	<u>1,432,901</u>	<u>-</u>	<u>6,108,237</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	1,402,688	(336,612)	1,066,076
Restricted funds			
Capital grants	136,825	-	136,825
Legacy to cover new houses in Grasmere	230,000	-	230,000
	<u>366,825</u>	<u>-</u>	<u>366,825</u>
TOTAL FUNDS	<u>1,769,513</u>	<u>(336,612)</u>	<u>1,432,901</u>

Lakeland Housing Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

20. CAPITAL COMMITMENTS

	31.12.22	31.12.21
	£	£
Contracted but not provided for in the financial statements	<u>50,246</u>	<u>50,246</u>

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2022.

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

Dear Sirs,

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the charitable company's financial statements for the year ended 31 December 2022. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

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 transactions undertaken by the charitable company have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charitable company, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with The Charity Commission.
4. The financial statements are free of material misstatements, including omissions.
5. We believe that the effect of uncorrected misstatements (as set out in the appendix to this letter) is immaterial both individually and in total.

Internal Control

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error, and we believe that we have appropriately fulfilled these responsibilities. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.

- 7. 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.
- 8. 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

- 9. 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 also confirm our plans for future action(s) required to enable the charitable company to continue as a going concern are feasible. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the charitable company's ability to continue as a going concern need to be made in the financial statements.

Assets and liabilities

- 10. 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.
- 11. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
- 12. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

Accounting estimates

- 13. The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

Loans and arrangements

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

Law and regulations

- 15. 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

- 16. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with legislative and accounting standards requirements.

Subsequent events

- 17. 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

- 18. 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. There were no grants in the year.

Legal Claims

19. 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,

Signed on behalf of the board of trustees

Date 17 April 2023

Appendix

Unadjusted misstatements

Items capitalised that could have been expensed	£120	Trivial
Invoices received after the year end that could have been brought in as expenses	£4,464	Not adjusted
Invoices relating to Grandy Nook Flat developments that were received after the year end that could have increased creditors and additions to fixed assets	£9,884	Not adjusted
Possible bad debt provision	£1,360	Not adjusted