

# THE LAKELAND ARTS TRUST

England & Wales · Charity number 526980

## Details

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Other names	LAKE DISTRICT ART GALLERY AND MUSEUM TRUST, ABBOT HALL ART GALLERY AND MUSEUM, BLACKWELL THE ARTS & CRAFTS HOUSE
Status	Registered
Legal form	Other
Registered	1963-11-09
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Address Abbot Hall Art Gallery  
Kirkland  
Kendal  
Cumbria  
LA9 5AL

Phone 01539446139

Email [info@lakelandarts.org.uk](mailto:info@lakelandarts.org.uk)

Website [www.lakelandarts.org.uk](http://www.lakelandarts.org.uk)

## Activities

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**Objects:** (A) THE ESTABLISHMENT AND MAINTENANCE OF A PUBLIC ART GALLERY AND MUSEUM IN THE FORMER BOROUGH OF KENDAL, AND THE FORMER COUNTY OF WESTMORLAND AND SURROUNDING DISTRICTS. (B) ANY OTHER PUBLIC CHARITABLE PURPOSES TENDING TO ADVANCE ARTISTIC HISTORICAL OR INTELLECTUAL INTERESTS IN THE SAID AREA WHICH CAN CONVENIENTLY BE PROMOTED IN COMBINATION WITH THE PURPOSE AFORESAID.

**Activities:** The Trust has significant permanent collections including fine art, decorative art, furniture, social & industrial history, steamboats & historic vessels and archival material. The collections are on loan to Lakeland Arts (charity no. 8162578) which operates Abbot Hall Art Gallery, Blackwell Arts & Crafts House and the Museum of Lakeland Life and Windermere Jetty Museum.

## Classification

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- **How:** Provides Other Finance
- **What:** Arts/culture/heritage/science, Other Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies

## Geography

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- Cumbria

## Finances

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Period end	Income	Expenditure	Assets	Employees
2025-03-31	£55,125	£37,993	-	-
2024-03-31	£28,776	£82,579	-	-
2023-03-31	£29,448	£59,763	-	-
2022-03-31	£24,530	£28,823	-	-
2021-03-31	£29,722	£77,607	-	-

## Trustees

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Name	Role	Appointed
LAKELAND ARTS		2013-08-12

**THE LAKELAND ARTS TRUST**

England & Wales - Charity number 526980

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# Accounts

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# LAKE LOND ARTS

Company registration number: 8162578

Charity registration number: 1153001

## **Lakeland Arts Trust**

Annual Report and Financial Statements  
for the Year Ended

31 March 2025

**Lakeland Arts Trust**

**Contents of the Financial Statements for the Year Ended 31 March 2025**

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## Lakeland Arts Trust

### Reference and Administrative Details

<b>Trustee</b>	Lakeland Arts, Sole corporate Trustee
<b>Trustees</b>	A Black S A Crewe (Term ended June 2025) K M Howarth A J Karwa E Kentley K J S Knight T A Leach A M Lyles (Resigned November 2025) D Reid MCIOF G F Rycroft E J Scott M Z Benjamin
<b>Charity Registration Number</b>	526980
<b>Principal Office</b>	Abbot Hall Kendal Cumbria LA9 5AL
<b>Independent Examiner</b>	Crossley & Davis Chartered Accountants & Statutory Auditors Ground floor, Seneca House Links Point, Amy Johnson Way Blackpool Lancashire FY4 2FF

## **Lakeland Arts Trust**

### **Solicitors**

Simpson Millar (to June 2020)

5/7 Skipton Street

Morecambe

Lancashire

LA4 4AW

### **Bankers**

Barclays Bank Plc

9 Highgate Kendal

Cumbria LA9 4DF

## Lakeland Arts Trust

### Trustee's Report

The trustee presents the annual report together with the financial statements of the charity for the year ended 31 March 2025.

### Objectives and Activities

#### Objects and Aims

The principal objects of the Trust are -

- a) The establishment and maintenance of a public art gallery and museum for the town of Kendal and surrounding districts (formerly the Borough of Kendal, the County of Westmorland and surrounding districts).
- b) Any other public charitable purposes tending to advance artistic, historic or intellectual interests in the area which can conveniently be promoted in combination with the purpose at a) above.

#### Objectives, Strategies and Activities

All activities of Lakeland Arts Trust were transferred as a going concern and from 1 August 2013 were carried out by the new charity, Lakeland Arts.

The collection held by the Trust was loaned to Lakeland Arts throughout the year, and the Blackwell endowment funds generated investment income which was paid across to Lakeland Arts for the maintenance of the Blackwell building.

#### Public Benefit

Abbot Hall was opened as an art gallery in September 1962 and has since built up an outstanding art collection and created one of the strongest exhibition programmes outside London.

In 1971 the Lakeland Museum was opened in the coach house and stable block at Abbot Hall and developed an important and extensive collection relating to the social and industrial history of the Lake District and Kendal.

In July 2001 Blackwell was opened, a Grade 1 Listed house, in a stunning position above Lake Windermere, looking across to the Coniston Fells. Designed by MH Baillie Scott and completed in 1900, this is one of the most important Arts and Crafts houses in the UK with a national reputation for its programme of exhibiting historic and contemporary crafts.

In March 2019 Windermere Jetty Museum was opened, a world-class museum and tourist attraction.

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

#### Financial Review

The charity had income of £55,125 in the year (2024: £28,776) and expenses of £37,993 (2024: £82,579). This created a surplus of £17,132 before unrealised gains on the value of investments of £4,293. This increased reserves by £21,425, plus an actuarial gain of £83,000 on the pension scheme, resulting in an overall surplus and increase in reserves of £104,425. Of the £104,425 increase in reserves, £83,000 relates to the actuarial gain on the defined benefit pension scheme.

## **Lakeland Arts Trust**

### **Policy on Reserves**

In addition to the permanent endowment, the Trust now holds unrestricted reserves of £109,296. These are available to support the Trust's obligations, including stewardship of the heritage collections, and provide a buffer against investment volatility. No formal reserves target has been set given the Trust's limited ongoing activities, but the trustee reviews the level of free reserves annually.

### **Changes in Funds**

As at 31 March 2025, unrestricted funds increased from £4,871 at 31 March 2024 to £109,296. This reflects a significant improvement in unrestricted reserves, primarily due to an actuarial gain of £83,000 on the defined benefit pension scheme. The improvement is mainly actuarial, not operational; LAT's activities remain minimal and largely investment-based.

### **Investment Policy and Objectives**

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

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

## **Structure, Governance and Management**

### **Nature of Governing Document**

The Lakeland Arts Trust (the Trust) is an unincorporated trust, constituted under a trust deed dated 19 August 1957 and is a registered charity, number 526980. The Trust was formed to save Abbot Hall, an important mid eighteenth century Grade 1 Listed house on the banks of the River Kent in Kendal, and to convert it into an art gallery.

During 2013 an important and substantial change in the constitution under which the activities of the Trust are carried out was completed. The Trustees determined that it is in the best interests of the Trust to restructure in order to minimise risk to its assets whilst enabling the Trust to achieve its charitable objectives.

The Trust incorporated Lakeland Arts, a company limited by guarantee (Company number 8162578) and completed its registration as a charity (Charity number 1153001) with similar objects to the Trust so as to replace the Trust as the operator of the various venues for use by the public and to carry forward the redevelopment of the Windermere Jetty Museum.

At the close of business on 31 July 2013 the funds, assets and liabilities of Lakeland Arts Trust were transferred to the new charity. Lakeland Arts Trust continues to hold the Blackwell Endowment which is a permanent endowment, and the collections which are loaned to the new charity.

All individual Trustees of the Trust resigned on 31 July 2013 and were appointed as Directors and Trustees of the new charity, Lakeland Arts, which became sole corporate Trustee of Lakeland Arts Trust. There is no limit to the duration of the term of the sole corporate Trustee provided that it remains an incorporated entity and registered as a charity with the Charity Commission.

### **Recruitment and Appointment of Trustee**

Lakeland Arts is the sole corporate trustee.

## **Lakeland Arts Trust**

### **Relationships with Related Parties**

#### **Lakeland Arts**

Lakeland Arts is the sole corporate trustee. The charitable company is loaned the collections owned by Lakeland Arts Trust and operates Abbot Hall, the Lakeland Museum, the Windermere Jetty Museum, and the Blackwell Arts & Crafts House in conjunction with its trading subsidiary Lakeland Arts Enterprises Limited. Lakeland Arts Trust pays the income arising on the Blackwell endowment across to Lakeland Arts for the maintenance of Blackwell Arts & Crafts House and Lakeland Arts covers any operational expenses by way of donation.

#### **Lakeland Arts Support Trust**

The Lakeland Arts Support Trust, a charitable company formed in 1998 for the purpose of generating income to provide financial support for Lakeland Arts Trust (and now Lakeland Arts) at its Abbot Hall site in Kendal.

#### **Westmorland and Furness Council**

Westmorland and Furness Council owns the Abbot Hall building and also makes an annual grant towards Lakeland Art's costs.

### **Major Risks and Management of Risks**

#### **Risk Management**

All significant activities undertaken are subject to a risk review as part of the initial project assessment and implementation. Major risks are identified and ranked in terms of their potential impact and likelihood. Major risks, for this purpose, are those that may have a significant effect on:

- operational performance, including risks to staff, volunteers and visitors
- achievement of aims and objectives
- meeting the expectations of beneficiaries or supporters.

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

- regular monitoring of major risks and development of disaster recovery plans
- embedding risk identification and assessment within operating procedures
- a clear structure of delegated authority and control
- maintaining reserves in line with set policies.

In assessing risk, the Trustees recognise that some areas of work require the acceptance and management of risk if key objectives are to be achieved. The Trustees have reviewed the major risks to which the Trust is exposed, under the headings of:

- fire, flood and major disaster
- security
- health and safety
- financial controls.

## Lakeland Arts Trust

### Financial instruments

#### Objectives and Policies

The Charity's activities are now restricted to holding investments and loaning its collection. These activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The charity does not use derivative financial instruments.

#### Cash Flow Risk

The Charity's activities expose it primarily to the financial risks of changes in investment values and investment income. The investments are managed to provide a balanced return from a broad spread of medium risk investments, and for general funds to provide a higher income from a spread of lower risk investments.

#### Credit Risk

The Charity's principal financial assets are investments. The credit risk is not material as operations are conducted by Lakeland Arts.

#### Liquidity Risk

As operations are conducted by Lakeland Arts liquidity risk is not material.

The annual report was approved by the trustee of the charity on 19<sup>th</sup> December 2025 and signed on its behalf by:



D Reid MCI OF

Chair and Trustee, Lakeland Arts

## Lakeland Arts Trust

### Statement of Trustees' Responsibilities

The trustee is responsible for preparing the trustee's report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee is required to:

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

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustee are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the trustee of the charity on 19 December 2025 and signed on its behalf by:



D Reid MCIOF

Chair and Trustee, Lakeland Arts

## Lakeland Arts Trust

### Independent Examiner's Report to the trustees of Lakeland Arts Trust

I report to the trustees on my examination of the accounts of Lakeland Arts Trust for the year ended 31 March 2025.

#### Responsibilities and basis of report

As the charity trustees of Lakeland Arts Trust, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Lakeland Arts Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. Accounting records were not kept in respect of Lakeland Arts Trust as required by section 130 of the Act; or
2. The accounts do not accord with those records; or
3. The accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



.....  
Peter G.C. Riley FCA  
Chartered Accountants & Statutory Auditors  
ICAEW

Crossley & Davis  
Ground floor, Seneca House  
Links Point, Amy Johnson Way  
Blackpool  
Lancashire  
FY4 2FF

## Lakeland Arts Trust

### Statement of Financial Activities for the Year Ended 31 March 2025

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2025 £
<b>Income and Endowments from:</b>					
Donations and legacies	2	31,704	-	-	31,704
Investment income	3	10,596	12,795	-	23,391
Other income		30	-	-	30
<b>Total income</b>		<b>42,330</b>	<b>12,795</b>	<b>-</b>	<b>55,125</b>
<b>Expenditure on:</b>					
Raising funds	4	(83)	-	-	(83)
Charitable activities	5	(25,115)	(12,795)	-	(37,910)
<b>Total expenditure</b>		<b>(25,198)</b>	<b>(12,795)</b>	<b>-</b>	<b>(37,993)</b>
Gains/losses on investment assets		-	-	4,293	4,293
<b>Net expenditure</b>		<b>17,132</b>	<b>-</b>	<b>4,293</b>	<b>21,425</b>
Gross transfers between funds		4,293	-	(4,293)	-
<b>Other recognised gains and losses:</b>					
Actuarial gains/(losses) on defined benefit pension schemes		83,000	-	-	83,000
Actuarial (loss)/gain recognised in pension reserve		-	-	-	-
<b>Net movement in funds</b>		<b>104,425</b>	<b>-</b>	<b>-</b>	<b>104,425</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		4,871	-	515,000	519,871
Total funds carried forward	18	109,296	-	515,000	624,296

The notes on pages 13 to 25 form an integral part of these financial statements.

## Lakeland Arts Trust

### Statement of Financial Activities for the Year Ended 31 March 2024

	<i>Note</i>	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Endowment funds £</i>	<i>Total 2024 £</i>
<b><i>Income and Endowments from:</i></b>					
<i>Donations and legacies</i>		6,705	-	-	6,705
<i>Investment income</i>	3	2,214	19,827	-	22,041
<i>Other income</i>		30	-	-	30
<b><i>Total income</i></b>		<b>8,949</b>	<b>19,827</b>	<b>-</b>	<b>28,776</b>
<b><i>Expenditure on:</i></b>					
<i>Raising funds</i>		1,128	-	-	1,128
<i>Charitable activities</i>		(13,707)	(19,827)	(50,173)	(83,707)
<b><i>Total expenditure</i></b>		<b>(12,579)</b>	<b>(19,827)</b>	<b>(50,173)</b>	<b>(82,579)</b>
<i>Gains/losses on investment assets</i>		500	-	28,290	28,790
<b><i>Net expenditure</i></b>		<b>(3,130)</b>	<b>-</b>	<b>(21,883)</b>	<b>(25,013)</b>
<i>Gross transfers between funds</i>		10,977	-	(10,977)	-
<b><i>Other recognised gains and losses</i></b>					
<i>Actuarial gains/(losses) on defined benefit pension schemes</i>		22,000	-	-	22,000
<i>Actuarial (loss)/gain recognised in pension reserve</i>		(22,000)	-	-	(22,000)
<b><i>Net movement in funds</i></b>		<b>7,847</b>	<b>-</b>	<b>(32,860)</b>	<b>(25,013)</b>
<b><i>Reconciliation of funds</i></b>					
<b><i>Total funds brought forward</i></b>		<b>(2,976)</b>	<b>-</b>	<b>547,860</b>	<b>544,884</b>
<b><i>Total funds carried forward</i></b>	<b>18</b>	<b>4,871</b>	<b>-</b>	<b>515,000</b>	<b>519,871</b>

All of the charity's activities derive from continuing operations during the above two periods. The funds breakdown for 2024 is shown in note 18.


The notes on pages 13 to 25 form an integral part of these financial statements.

**Lakeland Arts Trust**

**Lakeland Arts Trust  
(Registration number: 526980)  
Balance Sheet as at 31 March 2025**

	Note	2025 £	2024 £
<b>Fixed assets</b>			
Investments	12	569,288	552,283
<b>Current assets</b>			
Debtors	13	12,678	2,196
Cash at bank and in hand	14	209	300
		12,887	2,496
<b>Creditors: Amounts falling due within one year</b>	15	(40,879)	(34,908)
<b>Net current liabilities</b>		(27,992)	(32,412)
<b>Net assets excluding pension asset</b>		541,296	519,871
<b>Pension scheme asset</b>	16	83,000	-
<b>Net assets including pension asset</b>		624,296	519,871
<b>Funds of the charity:</b>			
<b>Endowment funds</b>		515,000	515,000
<b>Unrestricted income funds</b>			
Unrestricted funds		26,296	4,871
Pension reserve		83,000	-
Total unrestricted funds		109,296	4,871
<b>Total funds</b>	18	624,296	519,871

The financial statements on pages 9 to 23 were approved by the trustee, and authorised for issue on 19<sup>th</sup> December 2025 and signed on their behalf by:

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D Reid MCIOF

Chair and Trustee, Lakeland Arts

The notes on pages 13 to 25 form an integral part of these financial statements.

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 1. Accounting Policies

##### Statement of Compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities:

Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019 - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

##### Basis of Preparation

Lakeland Arts Trust meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The accounts are presented in sterling and rounded to the nearest £.

##### Going Concern

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

The Finance Committee has delegated responsibility to assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The charity is part of the Lakeland Arts Group and a fuller explanation of the going concern position for the group can be found in the group accounts.

##### Income and Endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### Donations and Legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

##### Investment income

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

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### **Raising Funds**

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

#### **Charitable Activities**

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

#### **Governance Costs**

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

#### **Taxation**

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

#### **Heritage Assets**

The Lakeland Arts Trust's primary purpose is to establish a public art gallery and museums for the town of Kendal and surrounding areas, and to advance artistic and historic interests in the area. In this connection the Trust holds collections at Abbot Hall, Lakeland Museum, Blackwell and Windermere Jetty Museum.

These are inalienable heritage assets in the sense that it is a fundamental part of the Trust's purpose to hold and preserve them permanently, and the Trust is effectively prohibited from disposing of them for any other purpose, not only by the terms of its Trust Deed, but also by external considerations including conditions applied by funding bodies. These collections items are not assets in the normal sense of the word because under the irrevocable terms of their present use, they have no market value. To provide a market value based on an impermissible change of use would be misleading. The Trustee considers that the collections are heritage assets and that because of the above information on their cost or valuation is not available or would be misleading and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the charity and the Trust does not,

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

therefore, represent them on the Balance Sheet. The Trust instead makes the disclosures required by 18.26 to 18.31 of the Charities Statement of Recommended Practice (FRS102).

#### **Fixed Asset Investments**

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

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

#### **Cash and Cash Equivalents**

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

#### **Trade Creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities and are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Fund Structure**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, in this case to generate income to maintain Blackwell the Arts & Crafts House. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### **Pensions and Other Post-Retirement Obligations**

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

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

#### **Financial instruments**

##### **Classification**

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

##### **Recognition and Measurement**

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

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

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

##### **Investments**

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss.

## **Lakeland Arts Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2025**

Where fair value cannot be measured reliably, investments are measured at cost less impairment.

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

#### **Fair Value Measurement**

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 2. Income from donations and legacies

	<b>Unrestricted funds</b>	<b>Total</b>
	<b>General</b>	<b>2025</b>
	<b>£</b>	<b>£</b>
Donations and legacies;		
Donations from individuals	26,574	26,574
Regular giving and capital donations	5,130	5,130
	31,704	31,704
	<b>Unrestricted funds</b>	<b>Total</b>
	<b>General</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
<i>Donations and legacies;</i>		
<i>Donations from individuals</i>	1,775	1,775
<i>Regular giving and capital donations</i>	4,930	4,930
	6,705	6,705

#### 3. Investment income

	<b>Unrestricted General</b>	<b>Restricted funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>2025</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Income from dividends;			
Dividends receivable from other listed investments	-	12,795.00	12,795
Interest receivable and similar income;			
Interest receivable on bank deposits	10,596		10,596
	10,596	12,795	23,391
	<b>Unrestricted General</b>	<b>Restricted funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<i>Income from dividends;</i>			
<i>Dividends receivable from other listed investments</i>	-	19,827	19,827
<i>Interest receivable and similar income;</i>			
<i>Interest receivable on bank deposits</i>	2,214	-	2,214
	2,214	19,827	22,041

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 4. Expenditure on raising funds

##### a) Investment management costs

	Unrestricted funds General £	Total 2025 £
Other investment management costs;		
Costs of obtaining investment advice	83	83
Administration of the investments	-	-
	83	83
	<b>Unrestricted funds General £</b>	<b>Total 2024 £</b>
Other investment management costs;		
Costs of obtaining investment advice	22	22
Administration of the investments	(1,150)	(1,150)
	(1,128)	(1,128)

#### 5. Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Endowment funds Expendable £	Total 2025 £
Donations to Lakeland Arts	19,606	12,795	-	32,401
Support costs	5,509			5,509
	25,115	12,795	-	37,910
	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Endowment funds Expendable £</b>	<b>Total 2024 £</b>
Donations to Lakeland Arts	29,251	19,827	30,522	79,600
Support costs	4,107		-	4,107
	33,358	19,827	30,522	83,707
		<b>Activity undertaken directly £</b>	<b>Activity support costs £</b>	<b>2025 £</b>
Donations to Lakeland Arts		32,401	-	32,401
Support costs		-	5,509	5,509
		32,401	5,509	37,910
		<b>Activity undertaken directly £</b>	<b>Activity support costs £</b>	<b>2024 £</b>
Donations to Lakeland Arts		79,600	-	79,600
Support costs		-	4,107	4,107
		79,600	4,107	83,707

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 6. Analysis of governance and support costs

##### Governance costs

	<b>Unrestricted funds General £</b>	<b>Total 2025 £</b>
Staff costs		
Pension costs	2,239	2,239
Independent examiner fees		
Examination of the financial statements	2,712	2,712
Legal fees	1,020	1,020
	5,971	5,971
	<b>Unrestricted funds General £</b>	<b>Total 2024 £</b>
<i>Staff costs</i>		
<i>    Pension costs</i>	2,318	2,318
<i>Independent examiner fees</i>		
<i>    Examination of the financial statements</i>	1,250	1,250
<i>Legal fees</i>	539	539
	4,107	4,107

#### 7. Trustee remuneration and expenses

No trustee, nor any persons connected with them, have received any remuneration from the charity during the year.  
No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

#### 8. Staff costs

The aggregate payroll costs were as follows:

	<b>2025 £</b>	<b>2024 £</b>
<b>Staff costs during the year were:</b>		
Pension costs	2,239	2,318

1 (2024 - 1) of the above employees participated in the Defined Benefit Pension Schemes.

No employee received emoluments of more than £60,000 during the year

	<b>2025 £</b>	<b>2024 £</b>
<b>9. Independent examiner's remuneration</b>		
Examination of the financial statements	2,712	1,250

#### 10. Taxation

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

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 11. Heritage assets

##### Summary of transactions

	2025	2024	2023	2022	2021
	£	£	£	£	£
<b>Purchases and additions</b>					
Ephemera	50	-	-	-	-
Contemporary Craft	38,600	-	-	-	-
Furniture	19,258	-	-	-	-
Paintings	-	900	-	-	-
Drawings	-	650	-	17,344	-
Maritime	-	-	100	10,000	-
<b>Donations</b>					
Books	-	-	-	130	-
Ceramics	-	-	-	1,240	-
Costume	-	-	-	30	-
Craft	50	-	-	-	-
Drawings	100	-	-	5,430	-
Engraving	-	-	-	-	-
Ephemera	50	-	-	20	-
Furniture	-	1,100	-	105,080	-
Paintings	1,500	-	-	14,000	214,000
Photographic prints	-	-	-	300	-
Photographs	-	-	5	-	3,100
Sculpture	-	-	-	-	750,000
Social history	-	-	-	4,571	100
Textiles	-	-	200	-	-
Maritime	-	1,000	7,310	35,015	16,000
Horology	-	-	-	-	-
<b>Total additions</b>	<u>59,608</u>	<u>3,650</u>	<u>7,615</u>	<u>193,160</u>	<u>983,200</u>

#### 12. Fixed asset investments

	2025	2024
	£	£
Loans to group undertakings and participating interests	175,478	125,478
Other investments	393,810	426,805
	<u>569,288</u>	<u>552,283</u>

##### Loans to group undertakings and participating interests

	2025	2024
	£	£
<b>Loan to Parent Company:</b>		
<b>Cost</b>		
At 31 March 2024	125,478	-
Additions	50,000	125,478
At 31 March 2025	<u>175,478</u>	<u>125,478</u>

##### Net book value

Lakeland Arts (the parent company) has borrowed £175,478 from the endowment fund investments and will repay this over 20 years paying interest at 7.4%.

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### Other investments

	Listed Investments	Total
	£	£
<b>Cost or Valuation</b>		
At 1 April 2024	426,805	426,805
Revaluation	3,605	3,605
Additions	-	-
Disposals	(36,600)	(36,600)
At 31 March 2025	393,810	393,810
<b>Net book value</b>		
At 31 March 2025	393,810	393,810
At 31 March 2024	426,805	426,805

All fixed asset investments are held within the United Kingdom.

#### 13. Debtors

	2025	2024
	£	£
Accrued income	12,678	2,196
	12,678	2,196

#### 14. Cash and cash equivalents

	2025	2024
	£	£
Cash at bank	100	100
Short-term deposits	109	200
	209	300

#### 15. Creditors: amounts falling due within one year

	2025	2024
	£	£
Owed by/(from) group undertakings	39,199	33,708
Accruals	1,680	1,200
	40,879	34,908

#### 16. Pension and other schemes

##### Defined benefit pension schemes

##### Cumbria Local Government Pension Scheme

Lakeland Arts Trust is a member of the Cumbria Local Government Pension Scheme. This is a multi-employer scheme and the figures in these accounts are from the latest Mercer report on Lakeland Arts Trust's share of the scheme. The last actuarial valuation was 31 March 2025.

##### **Reconciliation of scheme assets and liabilities to assets and liabilities recognised**

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

	2025	2024
	£	£
Fair value of scheme assets	1,328,000	1,374,000
Present value of defined benefit obligation	(1,230,000)	(1,352,000)
Impact of asset ceiling	(15,000)	-
Defined benefit pension scheme surplus/(deficit)	83,000	22,000

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### **Defined benefit obligation**

Changes in the defined benefit obligation are as follows:

	<b>2025</b> £
Present value at start of year	(1,352,000)
Current service cost	(1,000)
Interest on pension liabilities	(64,000)
Actuarial gains and losses	105,000
Benefits paid	<u>82,000</u>
Present value at end of year	<u>(1,230,000)</u>

#### **Fair value of scheme assets**

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

	<b>2025</b> £
Fair value at start of year	1,374,000
Interest income	65,000
Return on plan assets, excluding amounts included in interest income/(expense)	(31,000)
Employer contributions	2,000
Benefits paid	<u>(82,000)</u>
Fair value at end of year	<u>1,328,000</u>

#### **Analysis of assets**

The major categories of scheme assets are as follows:

	<b>2025</b> £	<b>2024</b> £
Cash and cash equivalents	20,000	21,000
Equity instruments	459,000	509,000
Government bonds	193,000	183,000
Property	104,000	110,000
Other	<u>552,000</u>	<u>551,000</u>
	<u>1,328,000</u>	<u>1,374,000</u>

#### **Return on scheme assets**

	<b>2025</b> £	<b>2024</b> £
Return on scheme assets	<u>(34,000)</u>	<u>(102,000)</u>

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

#### **Principal actuarial assumptions**

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

	<b>2025</b> %	<b>2024</b> %
Mortality rate	1.50	1.50
Discount rate	5.70	4.90
Future salary increases	4.20	4.20
Future pension increases	2.80	2.80
Inflation	2.70	2.70

#### **Post retirement mortality assumptions**

Current UK pensioners at retirement age - male	21.50	22.00
Current UK pensioners at retirement age - female	24.00	24.00
Future UK pensioners at retirement age - male	22.80	23.00
Future UK pensioners at retirement age - female	25.70	26.00

#### **Multi-employer plans**

This is a defined benefit plan.

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 17. Reserves

	Pension reserve £	Total £
At 1 April 2024	-	-
Surplus on actuarial revaluation	83,000	83,000
At 31 March 2025	83,000	83,000

The trustees have considered accounting for an LGPS pension surplus and the asset ceiling. The gross surplus of £98,000 has been reduced by the impact of the asset ceiling (£15,000), resulting in a net surplus of £83,000 being recognised. The trustees have reviewed the report provided by Mercer, which provides additional information relating to accounting surplus as of 16 July 2025. The present value of future accounting service cost exceeds the present value of primary contributions, therefore a surplus of £83,000 is recognised as an asset.

	Pension reserve £	Total £
At 1 April 2023	(22,000)	(220,000)
Actuarial gain/(loss) on pension scheme	22,000	22,000
Pension scheme income/(expense)	-	-
At 31 March 2024	-	-

#### 18. Funds

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2025 £
<b>Unrestricted funds</b>						
<b>General</b>						
Unrestricted general funds	4,871	42,330	(25,198)	4,293	83,000	109,296
<b>Restricted funds</b>						
Restricted Blackwell Income	-	12,795	(12,795)	-	-	-
<b>Endowment funds</b>						
<b>Permanent</b>						
Blackwell Endowment Fund	515,000	-	-	(4,293)	4,293	515,000
<b>Total funds</b>	519,871	55,125	(37,993)	-	87,293	624,296

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 2024 £
<b>Unrestricted funds</b>						
<b>General</b>						
Unrestricted general funds	(2,976)	8,949	(12,579)	10,977	500	4,871
<b>Restricted</b>						
Funds	-	19,827	(19,827)	-	-	-
<b>Endowment funds</b>						
<b>Permanent</b>						
Blackwell Endowment Fund	547,860	-	(50,173)	(10,977)	28,290	515,000
<b>Total funds</b>	544,884	28,776	(82,579)	-	28,790	519,871

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

The specific purposes for which the funds are to be applied are as follows:

The Blackwell Endowment generates income for the upkeep of Blackwell which is transferred to Lakeland Arts as the operating company for that purpose.

In 2023/24, £70,000 of endowment capital was released to Lakeland Arts to fund essential roof repairs at Blackwell, reducing the permanent endowment from £585,000 to £515,000. The Trustees determined this use was consistent with the purposes of the endowment.

Separately, a loan of £125,478 was advanced from the endowment fund to Lakeland Arts in November 2023 under a 20-year loan agreement at an interest rate of 7.4% per annum. In February 2025, an additional £50,000 was advanced as a short-term loan, bringing total borrowings to £175,478 at the balance sheet date.

Subsequent to the year end, the Trustees agreed to consolidate the two loans into a single arrangement. Under the revised terms, interest accrues until 31 March 2026, with monthly repayments of £2,065 commencing in April 2026 over the remaining term, with the loan repayable in full by November 2043.

#### 19. Analysis of net assets between funds

	<b>Unrestricted funds General £</b>	<b>Endowment funds Permanent £</b>	<b>Total funds at 31 March 2025 £</b>
Fixed asset investments	54,288	515,000	569,288
Current assets	95,887	-	95,887
Current liabilities	(40,879)	-	(40,879)
<b>Total net assets</b>	<b>109,296</b>	<b>515,000</b>	<b>624,296</b>
	<b>Unrestricted funds General £</b>	<b>Endowment funds Permanent £</b>	<b>funds at 31 March 2024 £</b>
<i>Fixed asset investments</i>	37,283	515,000	552,283
<i>Current assets</i>	2,496	-	2,496
<i>Current liabilities</i>	(34,908)	-	(34,908)
<b>Total net assets</b>	<b>4,871</b>	<b>515,000</b>	<b>519,871</b>

#### 20. Related party transactions

During the year the charity made the following related party transactions:

##### Lakeland Arts

Lakeland Arts (charity number 1153001, company number 8162578) is the sole corporate trustee and therefore is considered to be the parent company.

Operations are managed by Lakeland Arts which funds any expenses incurred by the charity and is also entitled to the restricted income from the endowment fund to cover maintenance of Blackwell in line with the terms of the endowment.

The group accounts can be obtained from Lakeland Arts, Abbot Hall Gallery, Kirkland, Kendal LA9 5AL. At the balance sheet date the amount due to Lakeland Arts was £37,339 (2024 - £33,708).

**THE LAKELAND ARTS TRUST**

England & Wales - Charity number 526980

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# Accounts

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Charity registration number: 526980

# Lakeland Arts Trust

Annual Report and Financial Statements  
for the Year Ended 31 March 2024

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

## **Lakeland Arts Trust**

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## Lakeland Arts Trust

### Reference and Administrative Details

<b>Trustee</b>	Lakeland Arts, Sole corporate Trustee
<b>Trustees of Lakeland Arts at the date of signing:</b>	M Benjamin DL A Black S A Crewe K M Howarth A Karwa E Kentley K J S Knight T A Leach A M Lyles D Reid MCIOF G F Rycroft E J Scott
<b>Charity Registration Number</b>	526980
<b>Principal Office</b>	Abbot Hall Kendal Cumbria LA9 5AL
<b>Independent Examiner</b>	Stables Thompson & Briscoe Chartered Accountants & Statutory Auditors Lowther House Lowther Street Kendal Cumbria LA9 4DX
<b>Solicitors</b>	Simpson Millar (to June 2020) 5/7 Skipton Street Morecambe Lancashire LA4 4AW
<b>Bankers</b>	Barclays Bank Plc 9 Highgate Kendal Cumbria LA9 4DF

## Lakeland Arts Trust

### Trustee' Report

The trustee present the annual report together with the financial statements of the charity for the year ended 31 March 2024.

#### **Objectives and activities**

##### *Objects and aims*

The principal objects of the Trust are -

- a) The establishment and maintenance of a public art gallery and museum for the town of Kendal and surrounding districts (formerly the Borough of Kendal, the County of Westmorland and surrounding districts).
- b) Any other public charitable purposes tending to advance artistic, historic or intellectual interests in the area which can conveniently be promoted in combination with the purpose at a) above.

##### *Objectives, strategies and activities*

All activities of Lakeland Arts Trust were transferred as a going concern and from 1 August 2013 were carried out by the new charity, Lakeland Arts.

The collection held by the Trust was loaned to Lakeland Arts throughout the year, and the Blackwell endowment funds generated investment income which was paid across to Lakeland Arts for the maintenance of the Blackwell building.

##### *Public benefit*

Abbot Hall was opened as an art gallery in September 1962 and has since built up an outstanding art collection and created one of the strongest exhibition programmes outside London.

In 1971 the The Lakeland Museum was opened in the coach house and stable block at Abbot Hall and developed an important and extensive collection relating to the social and industrial history of the Lake District and Kendal.

In July 2001 Blackwell was opened, a Grade 1 Listed house, in a stunning position above Lake Windermere, looking across to the Coniston Fells. Designed by MH Baillie Scott and completed in 1900, this is one of the most important Arts and Crafts houses in the UK with a national reputation for its programme of exhibiting historic and contemporary crafts.

In March 2019 Windermere Jetty Museum was opened, a world-class museum and tourist attraction.

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

##### **Financial review**

The charity had income of £28,776 in the year (2023: £29,448) and expenses of £82,579 (2023: £59,763). This created a deficit of £53,803 before unrealised gains on the value of investments of £28,790. This decreased reserves by £25,013, with no net actuarial gain or loss on the pension scheme, resulting in an overall deficit and decrease in reserves of £25,013.

##### *Policy on reserves*

The only reserves held by the charity are the endowment fund for Blackwell House, which is held as investments. This fund cannot be expended, but the income is to be spent on the maintenance of Blackwell House.

##### *Changes in Funds*

As at 31 March 2024, the unrestricted funds deficit reduced from £ (24,976) at 31 March 2023 to a surplus of £4,871. This reflects an improvement in the unrestricted reserves, which now show a positive balance.

## **Lakeland Arts Trust**

### **Trustee' Report (continued)**

#### ***Investment policy and objectives***

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

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

#### **Structure, governance and management**

##### ***Nature of governing document***

The Lakeland Arts Trust (the Trust) is an unincorporated trust, constituted under a trust deed dated 19 August 1957 and is a registered charity, number 526980. The Trust was formed to save Abbot Hall, an important mid eighteenth century Grade 1 Listed house on the banks of the River Kent in Kendal, and to convert it into an Art Gallery.

During 2013 an important and substantial change in the constitution under which the activities of the Trust are carried out was completed. The Trustees determined that it is in the best interests of the Trust to restructure in order to minimise risk to its assets whilst enabling the Trust to achieve its charitable objectives.

The Trust incorporated Lakeland Arts, a company limited by guarantee (Company number 8162578) and completed its registration as a charity (Charity number 1153001) with similar objects to the Trust so as to replace the Trust as the operator of the various venues for use by the public and to carry forward the redevelopment of the Windermere Jetty Museum.

At the close of business on 31 July 2013 the funds, assets and liabilities of Lakeland Arts Trust were transferred to the new charity. Lakeland Arts Trust continues to hold the Blackwell Endowment which is a permanent endowment, and the collections which are loaned to the new charity.

All individual Trustees of the Trust resigned on 31 July 2013 and were appointed as Directors and Trustees of the new charity, Lakeland Arts, which became sole corporate Trustee of Lakeland Arts Trust. There is no limit to the duration of the term of the sole corporate Trustee provided that it remains an incorporated entity and registered as a charity with the Charity Commission.

##### ***Recruitment and appointment of trustee***

Lakeland Arts is the sole corporate trustee.

## **Lakeland Arts Trust**

### **Trustee' Report (continued)**

#### **Relationships with related parties**

##### **Lakeland Arts**

Lakeland Arts is the sole corporate trustee. The charitable company loans the collections owned by Lakeland Arts Trust and operates Abbot Hall, the Museum of Lakeland Life & Industry (MOLLI) and Blackwell House in conjunction with its trading subsidiary Lakeland Arts Enterprises Limited. Lakeland Arts Trust pays the income arising on the Blackwell endowment across to Lakeland Arts for the maintenance of Blackwell House and Lakeland Arts covers any operational expenses by way of donation.

##### **Lakeland Arts Support Trust**

The Lakeland Arts Support Trust, a charitable company formed in 1998 for the purpose of generating income to provide financial support for Lakeland Arts Trust (and now Lakeland Arts) at its Abbot Hall site in Kendal.

##### **Westmorland and Furness Council**

Westmorland and Furness Council owns the Abbot Hall building and also makes an annual grant towards Lakeland Art's costs.

#### ***Major risks and management of those risks***

##### ***Risk management***

All significant activities undertaken are subject to a risk review as part of the initial project assessment and implementation. Major risks are identified and ranked in terms of their potential impact and likelihood. Major risks, for this purpose, are those that may have a significant effect on:

- Operational performance, including risks to staff, volunteers and visitors;
- Achievement of aims and objectives; or
- Meeting the expectations of beneficiaries or supporters.

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

- Regular monitoring of major risks and development of disaster recovery plans;
- Embedding risk identification and assessment within operating procedures;
- A clear structure of delegated authority and control; and
- Maintaining reserves in line with set policies.

In assessing risk the Trustees recognise that some areas of work require the acceptance and management of risk if key objectives are to be achieved. The Trustees have reviewed the major risks to which the Trust is exposed, under the headings of:

- Fire, flood and major disaster;
- Security;
- Health and Safety; and
- Financial Controls.

#### **Financial instruments**

##### ***Objectives and policies***

The Charity's activities are now restricted to holding investments and loaning its collection. These activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The charity does not use derivative financial instruments.

**Lakeland Arts Trust**

**Trustee' Report (continued)**

***Cash flow risk***

The Charity's activities expose it primarily to the financial risks of changes in investment values and investment income. The investments are managed to provide a balanced return from a broad spread of medium risk investments, and for general funds to provide a higher income from a spread of lower risk investments.

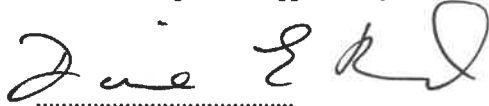
***Credit risk***

The Charity's principal financial assets are investments. The credit risk is not material as operations are conducted by Lakeland Arts.

***Liquidity risk***

As operations are conducted by Lakeland Arts liquidity risk is not material.

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



.....  
D. Reid (Chair & Trustee)  
Lakeland Arts

## Lakeland Arts Trust

### Statement of Trustee' Responsibilities

The trustee are responsible for preparing the trustee' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee are required to:

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

The trustee are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustee are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the trustee of the charity on 23 January 2025 and signed on its behalf by:



.....  
D. Reid (Chair & Trustee)  
Lakeland Arts

## Lakeland Arts Trust

### Independent Examiner's Report to the trustees of Lakeland Arts Trust

I report to the trustee on my examination of the accounts of Lakeland Arts Trust for the year ended 31 March 2024.

#### Responsibilities and basis of report

As the charity trustee of Lakeland Arts Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Lakeland Arts Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of Lakeland Arts Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



.....  
Helen Holmes BSc FCA  
Chartered Accountants & Statutory Auditors  
ICAEW

Lowther House  
Lowther Street  
Kendal  
Cumbria  
LA9 4DX

Date: 30 January 2025

## Lakeland Arts Trust

### Statement of Financial Activities for the Year Ended 31 March 2024

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £
<b>Income and Endowments from:</b>					
Donations and legacies		6,705	-	-	6,705
Investment income	3	2,214	19,827	-	22,041
Other income		30	-	-	30
<b>Total income</b>		<u>8,949</u>	<u>19,827</u>	<u>-</u>	<u>28,776</u>
<b>Expenditure on:</b>					
Raising funds		1,128	-	-	1,128
Charitable activities		<u>(13,707)</u>	<u>(19,827)</u>	<u>(50,173)</u>	<u>(83,707)</u>
<b>Total expenditure</b>		<u>(12,579)</u>	<u>(19,827)</u>	<u>(50,173)</u>	<u>(82,579)</u>
Gains/losses on investment assets		500	-	28,290	28,790
<b>Net expenditure</b>		<u>(3,130)</u>	<u>-</u>	<u>(21,883)</u>	<u>(25,013)</u>
Gross transfers between funds		10,977	-	(10,977)	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes		22,000	-	-	22,000
Actuarial (loss)/gain recognised in pension reserve		<u>(22,000)</u>	<u>-</u>	<u>-</u>	<u>(22,000)</u>
<b>Net movement in funds</b>		7,847	-	(32,860)	(25,013)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>(2,976)</u>	<u>-</u>	<u>547,860</u>	<u>544,884</u>
Total funds carried forward	18	<u>4,871</u>	<u>-</u>	<u>515,000</u>	<u>519,871</u>

The notes on pages 11 to 27 form an integral part of these financial statements.

## Lakeland Arts Trust

### Statement of Financial Activities for the Year Ended 31 March 2024 (continued)

Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
<b>Income and Endowments from:</b>				
Donations and legacies	10,005	-	-	10,005
Investment income	10	19,403	-	19,413
Other income	30	-	-	30
<b>Total income</b>	<b>10,045</b>	<b>19,403</b>	<b>-</b>	<b>29,448</b>
<b>Expenditure on:</b>				
Raising funds	(12)	-	-	(12)
Charitable activities	(33,743)	(26,008)	-	(59,751)
<b>Total expenditure</b>	<b>(33,755)</b>	<b>(26,008)</b>	<b>-</b>	<b>(59,763)</b>
Gains/losses on investment assets	(9,378)	-	(37,140)	(46,518)
<b>Net expenditure</b>	<b>(33,088)</b>	<b>(6,605)</b>	<b>(37,140)</b>	<b>(76,833)</b>
<b>Other recognised gains and losses</b>				
Actuarial gains/(losses) on defined benefit pension schemes	315,000	-	-	315,000
Actuarial (loss)/gain recognised in pension reserve	(318,000)	-	-	(318,000)
<b>Net movement in funds</b>	<b>(36,088)</b>	<b>(6,605)</b>	<b>(37,140)</b>	<b>(79,833)</b>
<b>Reconciliation of funds</b>				
Total funds brought forward	33,112	6,605	585,000	624,717
Total funds carried forward	(2,976)	-	547,860	544,884

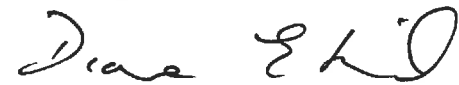
All of the charity's activities derive from continuing operations during the above two periods.  
The funds breakdown for 2023 is shown in note 18.

**Lakeland Arts Trust**

**(Registration number: 526980)  
Balance Sheet as at 31 March 2024**

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Investments	12	552,283	576,233
<b>Current assets</b>			
Debtors	13	2,196	-
Cash at bank and in hand	14	300	602
		2,496	602
<b>Creditors: Amounts falling due within one year</b>	15	(34,908)	(31,951)
<b>Net current liabilities</b>		(32,412)	(31,349)
<b>Net assets excluding pension liability</b>		519,871	544,884
<b>Pension scheme liability</b>	16	-	(22,000)
<b>Net assets including pension liability</b>		519,871	522,884
<b>Funds of the charity:</b>			
<b>Endowment funds</b>		515,000	547,860
<b>Unrestricted income funds</b>			
Unrestricted funds		4,871	(2,976)
Pension reserve		-	(22,000)
<b>Total unrestricted funds</b>		4,871	(24,976)
<b>Total funds</b>	18	519,871	522,884

The financial statements on pages 8 to 27 were approved by the trustee, and authorised for issue on 23 January 2025 and signed on their behalf by:



.....  
D. Reid (Chair & Trustee)  
Lakeland Arts

## Lakeland Arts Trust

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

#### 1 Accounting policies

##### Statement of compliance

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

##### Basis of preparation

Lakeland Arts Trust meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts are presented in sterling and rounded to the nearest £.

##### Going concern

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

The Finance Committee has delegated responsibility to assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

The charity is part of the Lakeland Arts Group and a fuller explanation of the going concern position for the group can be found in the group accounts.

##### Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### *Donations and legacies*

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

##### *Investment income*

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

##### Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### *Raising funds*

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

#### *Charitable activities*

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

#### **Governance costs**

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

#### **Taxation**

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

#### **Heritage assets**

The Lakeland Arts Trust's primary purpose is to establish a public art gallery and museums for the town of Kendal and surrounding areas, and to advance artistic and historic interests in the area. In this connection the Trust holds collections at Abbot Hall, Lakeland Museum, Blackwell and Windermere Jetty Museum.

These are inalienable heritage assets in the sense that it is a fundamental part of the Trust's purpose to hold and preserve them permanently, and the Trust is effectively prohibited from disposing of them for any other purpose, not only by the terms of its Trust Deed, but also by external considerations including conditions applied by funding bodies. These collections items are not assets in the normal sense of the word because under the irrevocable terms of their present use they have no market value. To provide a market value based on an impermissible change of use would be misleading. The Trustee considers that the collections are heritage assets and that because of the above information on their cost or valuation is not available or would be misleading and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the charity and the Trust does not, therefore, represent them on the Balance Sheet. The Trust instead makes the disclosures required by 18.26 to 18.31 of the Charities Statement of Recommended Practice (FRS102).

#### **Fixed asset investments**

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

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

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### Cash and cash equivalents

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

#### Trade creditors

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

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

#### Fund structure

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, in this case to generate income to maintain Blackwell the Arts & Crafts House. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

#### Pensions and other post retirement obligations

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

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

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

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### Financial instruments

##### *Classification*

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

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

##### *Recognition and measurement*

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

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

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

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

##### *Investments*

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

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

##### *Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 2 Income from donations and legacies

	<b>Unrestricted funds General £</b>	<b>Total 2024 £</b>
Donations and legacies;		
Donations from individuals	1,775	1,775
Regular giving and capital donations	<u>4,930</u>	<u>4,930</u>
	<u>6,705</u>	<u>6,705</u>
	<b>Unrestricted funds General £</b>	<b>Total 2023 £</b>
Donations and legacies;		
Donations from individuals	3,511	3,511
Regular giving and capital donations	<u>6,494</u>	<u>6,494</u>
	<u>10,005</u>	<u>10,005</u>

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 3 Investment income

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2024 £</b>
Income from dividends;			
Dividends receivable from other listed investments	-	19,827	19,827
Interest receivable and similar income;			
Interest receivable on bank deposits	2,214	-	2,214
	2,214	19,827	22,041
	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2023 £</b>
Income from dividends;			
Dividends receivable from other listed investments	-	19,403	19,403
Interest receivable and similar income;			
Interest receivable on bank deposits	10	-	10
	10	19,403	19,413

#### 4 Expenditure on raising funds

##### a) Investment management costs

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

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 5 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Endowment funds Expendable £	Total 2024 £
Donations to Lakeland Arts	29,251	19,827	30,522	79,600
Support costs	4,107	-	-	4,107
	<u>33,358</u>	<u>19,827</u>	<u>30,522</u>	<u>83,707</u>
		Unrestricted funds General £	Restricted funds £	Total 2023 £
Donations to Lakeland Arts		21,878	26,008	47,886
Support costs		11,865	-	11,865
		<u>33,743</u>	<u>26,008</u>	<u>59,751</u>
		Activity undertaken directly £	Activity support costs £	2024 £
Donations to Lakeland Arts		79,600	-	79,600
Support costs		-	4,107	4,107
		<u>79,600</u>	<u>4,107</u>	<u>83,707</u>
		Activity undertaken directly £	Activity support costs £	2023 £
Donations to Lakeland Arts		47,886	-	47,886
Support costs		-	11,865	11,865
		<u>47,886</u>	<u>11,865</u>	<u>59,751</u>

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 6 Analysis of governance and support costs

##### Governance costs

	<b>Unrestricted funds General £</b>	<b>Total 2024 £</b>
Staff costs		
Pension costs	2,318	2,318
Independent examiner fees		
Examination of the financial statements	1,250	1,250
Legal fees	539	539
	4,107	4,107
	<b>Unrestricted funds General £</b>	<b>Total 2023 £</b>
Staff costs		
Pension costs	10,900	10,900
Independent examiner fees		
Examination of the financial statements	965	965
	11,865	11,865

#### 7 Trustee remuneration and expenses

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

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

#### 8 Staff costs

The aggregate payroll costs were as follows:

	<b>2024 £</b>	<b>2023 £</b>
<b>Staff costs during the year were:</b>		
Pension costs	2,318	10,900

1 (2023 - 1) of the above employees participated in the Defined Benefit Pension Schemes.

No employee received emoluments of more than £60,000 during the year

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 9 Independent examiner's remuneration

	2024 £	2023 £
Examination of the financial statements	1,250	965

#### 10 Taxation

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

#### 11 Heritage assets

##### Summary of transactions

	2024 £	2023 £	2022 £	2021 £	2020 £
<b>Purchases and additions</b>					
Ephemera	-	-	-	-	10
Furniture	-	-	-	-	25,000
Paintings	900	-	-	-	-
Drawings	650	-	17,344	-	-
Maritime	-	100	10,000	-	-
<b>Donations</b>					
Books	-	-	130	-	155
Ceramics	-	-	1,240	-	-
Costume	-	-	30	-	-
Drawings	-	-	5,430	-	1,260
Engraving	-	-	-	-	500
Ephemera	-	-	20	-	240
Furniture	1,100	-	105,080	-	3,000
Paintings	-	-	14,000	214,000	-
Photographic prints	-	-	300	-	-
Photographs	-	5	-	3,100	-
Sculpture	-	-	-	750,000	-
Social history	-	-	4,571	100	-
Textiles	-	200	-	-	-
Maritime	1,000	7,310	35,015	16,000	100
Horology	-	-	-	-	500
<b>Total additions</b>	<b>3,650</b>	<b>7,615</b>	<b>193,160</b>	<b>983,200</b>	<b>30,765</b>

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### Heritage assets not recognised in the balance sheet

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

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

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

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

The principal areas of the collection are:

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

#### Acquisitions

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

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### Disposal

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

#### Preservation and Management

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

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

#### 12 Fixed asset investments

	2024	2023
	£	£
Loans to group undertakings and participating interests	125,478	-
Other investments	426,805	576,233
	552,283	576,233

#### Loans to group undertakings and participating interests

	Loan to parent company	Total
	£	£
<b>Cost</b>		
Additions	125,478	125,478
At 31 March 2024	125,478	125,478

#### Net book value

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

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### Other investments

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

All fixed asset investments are held within the United Kingdom.

#### 13 Debtors

	<b>2024 £</b>	<b>2023 £</b>
Accrued income	<u>2,196</u>	<u>-</u>

#### 14 Cash and cash equivalents

	<b>2024 £</b>	<b>2023 £</b>
Cash at bank	100	100
Short-term deposits	<u>200</u>	<u>502</u>
	<u>300</u>	<u>602</u>

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 15 Creditors: amounts falling due within one year

	2024 £	2023 £
Owed by/(from) group undertakings	33,708	29,601
Accruals	1,200	2,350
	34,908	31,951

#### 16 Pension and other schemes

##### Defined benefit pension schemes

##### Cumbria Local Government Pension Scheme

Lakeland Arts Trust is a member of the Cumbria Local Government Pension Scheme. This is a multi-employer scheme and the figures in these accounts are from the latest Mercer report on Lakeland Arts Trust's share of the scheme. The last actuarial valuation was 31 March 2022.

##### *Reconciliation of scheme assets and liabilities to assets and liabilities recognised*

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

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

##### *Defined benefit obligation*

Changes in the defined benefit obligation are as follows:

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

##### *Fair value of scheme assets*

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

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

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

#### *Analysis of assets*

The major categories of scheme assets are as follows:

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

#### *Return on scheme assets*

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

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

#### *Principal actuarial assumptions*

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

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

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### *Post retirement mortality assumptions*

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

#### **Multi-employer plans**

This is a defined benefit plan.

#### **17 Reserves**

	Pension reserve £	Total £
At 1 April 2023	(22,000)	(22,000)
Surplus on actuarial revaluation	<u>22,000</u>	<u>22,000</u>
At 31 March 2024	<u>-</u>	<u>-</u>

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

	Pension reserve £	Total £
At 1 April 2022	(340,000)	(340,000)
Actuarial gain/(loss) on pension scheme	315,000	315,000
Pension scheme income/(expense)	<u>3,000</u>	<u>3,000</u>
At 31 March 2023	<u>(22,000)</u>	<u>(22,000)</u>

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

#### 18 Funds

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2024 £
<b>Unrestricted funds</b>						
<i>General</i>						
Unrestricted general funds	(2,976)	8,949	(12,579)	10,977	500	4,871
<b>Restricted funds</b>						
Restricted Blackwell Income Funds	-	19,827	(19,827)	-	-	-
<b>Endowment funds</b>						
<i>Permanent</i>						
Blackwell Endowment Fund	<u>547,860</u>	<u>-</u>	<u>(50,173)</u>	<u>(10,977)</u>	<u>28,290</u>	<u>515,000</u>
<b>Total funds</b>	<u>544,884</u>	<u>28,776</u>	<u>(82,579)</u>	<u>-</u>	<u>28,790</u>	<u>519,871</u>
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2023 £	
<b>Unrestricted funds</b>						
<i>General</i>						
Unrestricted general funds	33,112	10,045	(36,755)	(9,378)	(2,976)	
<b>Restricted</b>						
Restricted Blackwell Income Funds	6,605	19,403	(26,008)	-	-	
<b>Endowment funds</b>						
<i>Permanent</i>						
Blackwell Endowment Fund	<u>585,000</u>	<u>-</u>	<u>-</u>	<u>(37,140)</u>	<u>547,860</u>	
<b>Total funds</b>	<u>624,717</u>	<u>29,448</u>	<u>(62,763)</u>	<u>(46,518)</u>	<u>544,884</u>	

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

The specific purposes for which the funds are to be applied are as follows:

The Blackwell endowment generates income for the upkeep of Blackwell which is transferred to Lakeland Arts as the operating company for that purpose. In November 2023 a loan was made from the endowment fund to Lakeland Arts (the parent company) to be repaid over 20 years at 5.25%. In addition £70,000 was released from the fund in order to finance repairs to the roof at Blackwell.

In the year ended 31 March 2021 Charity Commission advice was taken on what constituted endowment funds using the original documents. The Charity Commission confirmed that they considered that only £585,000 was endowment funds and on this basis £510,000 was released to assist Lakeland Arts in that year.

Lakeland Arts pays the past deficit contributions against the pension deficit.

#### 19 Analysis of net assets between funds

	Unrestricted funds General £	Endowment funds Permanent £	Total funds at 31 March 2024 £
Fixed asset investments	37,283	515,000	552,283
Current assets	2,496	-	2,496
Current liabilities	(34,908)	-	(34,908)
Total net assets	<u>4,871</u>	<u>515,000</u>	<u>519,871</u>

	Unrestricted funds		Endowment funds Permanent £	Total funds at 31 March 2023 £
	General £	Designated £		
Fixed asset investments	28,373	-	547,860	576,233
Current assets	602	-	-	602
Current liabilities	(31,951)	-	-	(31,951)
Pension scheme liability	-	(22,000)	-	(22,000)
Total net assets	<u>(2,976)</u>	<u>(22,000)</u>	<u>547,860</u>	<u>522,884</u>

#### 20 Related party transactions

During the year the charity made the following related party transactions:

##### Lakeland Arts

(Lakeland Arts (charity number 1153001, company number 8162578) is the sole corporate trustee and therefore is considered to be the parent company.)

Operations are managed by Lakeland Arts which funds any expenses incurred by the charity and is also entitled to the restricted income from the endowment fund to cover maintenance of Blackwell in line with the terms of the endowment.

The group accounts can be obtained from Lakeland Arts, Abbot Hall Gallery, Kirkland, Kendal LA9 5AL. At the balance sheet date the amount due to Lakeland Arts was £33,708 (2023 - £29,601).

**THE LAKELAND ARTS TRUST**

England & Wales - Charity number 526980

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# Accounts

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Charity registration number: 526980

# Lakeland Arts Trust

Annual Report and Financial Statements

for the Year Ended 31 March 2023

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

## **Lakeland Arts Trust**

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## Lakeland Arts Trust

### Reference and Administrative Details

<b>Trustee</b>	Lakeland Arts, Sole corporate Trustee
<b>Trustees of Lakeland Arts at the date of signing:</b>	M Benjamin DL S A Crewe K M Howarth A Karwa E Kentley A M Lyles J A L Mottram PhD D Reid MCIOF G F Rycroft E J Scott
<b>Charity Registration Number</b>	526980
<b>Principal Office</b>	Abbot Hall Kendal Cumbria LA9 5AL
<b>Independent Examiner</b>	Stables Thompson & Briscoe Chartered Accountants & Statutory Auditors Lowther House Lowther Street Kendal Cumbria LA9 4DX
<b>Solicitors</b>	Simpson Millar (to June 2020) 5/7 Skipton Street Morecambe Lancashire LA4 4AW
<b>Bankers</b>	Barclays Bank Plc 9 Highgate Kendal Cumbria LA9 4DF

# Lakeland Arts Trust

## Trustee' Report

The trustee present the annual report together with the financial statements of the charity for the year ended 31 March 2023.

### Objectives and activities

#### *Objects and aims*

The principal objects of the Trust are -

- a) The establishment and maintenance of a public art gallery and museum for the town of Kendal and surrounding districts (formerly the Borough of Kendal, the County of Westmorland and surrounding districts).
- b) Any other public charitable purposes tending to advance artistic, historic or intellectual interests in the area which can conveniently be promoted in combination with the purpose at a) above.

#### *Objectives, strategies and activities*

All activities of Lakeland Arts Trust were transferred as a going concern and from 1 August 2013 were carried out by the new charity, Lakeland Arts.

The collection held by the Trust was loaned to Lakeland Arts throughout the year, and the Blackwell endowment funds generated investment income which was paid across to Lakeland Arts for the maintenance of the Blackwell building.

#### *Public benefit*

Abbot Hall was opened as an art gallery in September 1962 and has since built up an outstanding art collection and created one of the strongest exhibition programmes outside London.

In 1971 the Museum of Lakeland Life & Industry (MOLLI) was opened in the coach house and stable block at Abbot Hall and developed an important and extensive collection relating to the social and industrial history of the Lake District and Kendal.

In July 2001 Blackwell was opened, a Grade 1 Listed house, in a stunning position above Lake Windermere, looking across to the Coniston Fells. Designed by MH Baillie Scott and completed in 1900, this is one of the most important Arts and Crafts houses in the UK with a national reputation for its programme of exhibiting historic and contemporary crafts.

In March 2019 Windermere Jetty was opened, a world-class museum and tourist attraction.

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

#### **Financial review**

The charity had income of £29,448 in the year (2022 - £24,530) and expenses of £59,751 (2022 - £28,823). This created a deficit of £30,303 before unrealised losses on the value of investments of £46,518. This reduced reserves by £76,821 before the actuarial gain on the pension scheme of £315,000 which resulted in an overall surplus and increase in reserves of £238,167.

#### *Policy on reserves*

The only reserves held by the charity are the endowment fund for Blackwell House which is held as investments. This fund cannot be expended but the income is to be spent on the maintenance of Blackwell House.

## **Lakeland Arts Trust**

### **Trustee' Report (continued)**

#### ***Funds in deficit***

As at 31st March 2023, the unrestricted funds deficit reduced from (£306,888) at 31st March 2022 to (£24,976) of which £(22,000) represented the pension deficit and £(2,976) was unrestricted reserves. As part of the deficit was caused by the drop in the value of investments in the year, it is hoped that this will reverse as values recover.

#### ***Investment policy and objectives***

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

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

#### **Structure, governance and management**

##### ***Nature of governing document***

The Lakeland Arts Trust (the Trust) is an unincorporated trust, constituted under a trust deed dated 19 August 1957 and is a registered charity, number 526980. The Trust was formed to save Abbot Hall, an important mid eighteenth century Grade 1 Listed house on the banks of the River Kent in Kendal, and to convert it into an Art Gallery.

During 2013 an important and substantial change in the constitution under which the activities of the Trust are carried out was completed. The Trustees determined that it is in the best interests of the Trust to restructure in order to minimise risk to its assets whilst enabling the Trust to achieve its charitable objectives.

The Trust incorporated Lakeland Arts, a company limited by guarantee (Company number 8162578) and completed its registration as a charity (Charity number 1153001) with similar objects to the Trust so as to replace the Trust as the operator of the various venues for use by the public and to carry forward the redevelopment of the Windermere Jetty Museum.

At the close of business on 31 July 2013 the funds, assets and liabilities of Lakeland Arts Trust were transferred to the new charity. Lakeland Arts Trust continues to hold the Blackwell Endowment which is a permanent endowment, and the collections which are loaned to the new charity.

All individual Trustees of the Trust resigned on 31 July 2013 and were appointed as Directors and Trustees of the new charity, Lakeland Arts, which became sole corporate Trustee of Lakeland Arts Trust. There is no limit to the duration of the term of the sole corporate Trustee provided that it remains an incorporated entity and registered as a charity with the Charity Commission.

##### ***Recruitment and appointment of trustee***

Lakeland Arts is the sole corporate trustee.

## **Lakeland Arts Trust**

### **Trustee' Report (continued)**

#### **Relationships with related parties**

##### **Lakeland Arts**

Lakeland Arts is the sole corporate trustee. The charitable company loans the collections owned by Lakeland Arts Trust and operates Abbot Hall, the Museum of Lakeland Life & Industry (MOLLI) and Blackwell House in conjunction with its trading subsidiary Lakeland Arts Enterprises Limited. Lakeland Arts Trust pays the income arising on the Blackwell endowment across to Lakeland Arts for the maintenance of Blackwell House and Lakeland Arts covers any operational expenses by way of donation.

##### **Lakeland Arts Support Trust**

The Lakeland Arts Support Trust, a charitable company formed in 1998 for the purpose of generating income to provide financial support for Lakeland Arts Trust (and now Lakeland Arts) at its Abbot Hall site in Kendal.

##### **South Lakeland District Council**

South Lakeland District Council owns the Abbot Hall building; SLDC also makes an annual grant towards Lakeland Art's costs.

#### ***Major risks and management of those risks***

##### ***Risk management***

All significant activities undertaken are subject to a risk review as part of the initial project assessment and implementation. Major risks are identified and ranked in terms of their potential impact and likelihood. Major risks, for this purpose, are those that may have a significant effect on:

- Operational performance, including risks to staff, volunteers and visitors;
- Achievement of aims and objectives; or
- Meeting the expectations of beneficiaries or supporters.

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

- Regular monitoring of major risks and development of disaster recovery plans;
- Embedding risk identification and assessment within operating procedures;
- A clear structure of delegated authority and control; and
- Maintaining reserves in line with set policies.

In assessing risk the Trustees recognise that some areas of work require the acceptance and management of risk if key objectives are to be achieved. The Trustees have reviewed the major risks to which the Trust is exposed, under the headings of:

- Fire, flood and major disaster;
- Security;
- Health and Safety; and
- Financial Controls.

#### **Financial instruments**

##### ***Objectives and policies***

The Charity's activities are now restricted to holding investments and loaning its collection. These activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The charity does not use derivative financial instruments.

**Lakeland Arts Trust**

**Trustee' Report (continued)**

***Cash flow risk***

The Charity's activities expose it primarily to the financial risks of changes in investment values and investment income. The investments are managed to provide a balanced return from a broad spread of medium risk investments, and for general funds to provide a higher income from a spread of lower risk investments.

***Credit risk***

The Charity's principal financial assets are investments. The credit risk is not material as operations are conducted by Lakeland Arts.

***Liquidity risk***

As operations are conducted by Lakeland Arts liquidity risk is not material.

The annual report was approved by the trustee of the charity on 19 December 2023 and signed on its behalf by:



.....  
Lakeland Arts  
Trustee

## Lakeland Arts Trust

### Statement of Trustee' Responsibilities

The trustee are responsible for preparing the trustee' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee are required to:

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

The trustee are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustee are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the trustee of the charity on 19 December 2023 and signed on its behalf by:



.....  
Lakeland Arts  
Trustee

## Lakeland Arts Trust

### Independent Examiner's Report to the trustees of Lakeland Arts Trust

I report to the trustee on my examination of the accounts of Lakeland Arts Trust for the year ended 31 March 2023.

#### Responsibilities and basis of report

As the charity trustee of Lakeland Arts Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Lakeland Arts Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of Lakeland Arts Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



.....  
Helen Holmes BSc FCA  
Chartered Accountants & Statutory Auditors  
ICAEW

Lowther House  
Lowther Street  
Kendal  
Cumbria  
LA9 4DX

19 December 2023

## Lakeland Arts Trust

### Statement of Financial Activities for the Year Ended 31 March 2023

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
<b>Income and Endowments from:</b>					
Donations and legacies		10,005	-	-	10,005
Investment income	3	10	19,403	-	19,413
Other income		30	-	-	30
<b>Total income</b>		<u>10,045</u>	<u>19,403</u>	<u>-</u>	<u>29,448</u>
<b>Expenditure on:</b>					
Raising funds		(12)	-	-	(12)
Charitable activities		<u>(33,743)</u>	<u>(26,008)</u>	<u>-</u>	<u>(59,751)</u>
<b>Total expenditure</b>		(33,755)	(26,008)	-	(59,763)
Gains/losses on investment assets		<u>(9,378)</u>	<u>-</u>	<u>(37,140)</u>	<u>(46,518)</u>
<b>Net expenditure</b>		(33,088)	(6,605)	(37,140)	(76,833)
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes		<u>315,000</u>	<u>-</u>	<u>-</u>	<u>315,000</u>
<b>Net movement in funds</b>		281,912	(6,605)	(37,140)	238,167
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>		<u>(306,888)</u>	<u>6,605</u>	<u>585,000</u>	<u>284,717</u>
<b>Total funds carried forward</b>	15	<u>(24,976)</u>	<u>-</u>	<u>547,860</u>	<u>522,884</u>

The notes on pages 11 to 26 form an integral part of these financial statements.

## Lakeland Arts Trust

### Statement of Financial Activities for the Year Ended 31 March 2023 (continued)

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £
<b>Income and Endowments from:</b>					
Donations and legacies		7,094	-	-	7,094
Investment income	3	1	17,405	-	17,406
Other income		30	-	-	30
<b>Total income</b>		<u>7,125</u>	<u>17,405</u>	<u>-</u>	<u>24,530</u>
<b>Expenditure on:</b>					
Charitable activities		(18,023)	(10,800)	-	(28,823)
<b>Total expenditure</b>		<u>(18,023)</u>	<u>(10,800)</u>	<u>-</u>	<u>(28,823)</u>
Gains/losses on investment assets		6,080	-	-	6,080
<b>Net (expenditure)/income</b>		<u>(4,818)</u>	<u>6,605</u>	<u>-</u>	<u>1,787</u>
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes		94,000	-	-	94,000
<b>Net movement in funds</b>		<u>89,182</u>	<u>6,605</u>	<u>-</u>	<u>95,787</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		(396,070)	-	585,000	188,930
Total funds carried forward	15	<u>(306,888)</u>	<u>6,605</u>	<u>585,000</u>	<u>284,717</u>

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


The funds breakdown for 2022 is shown in note 15.

## Lakeland Arts Trust

**(Registration number: 526980)**  
**Balance Sheet as at 31 March 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Investments	11	576,233	636,727
<b>Current assets</b>			
Cash at bank and in hand	12	602	5,675
<b>Creditors: Amounts falling due within one year</b>	13	<u>(31,951)</u>	<u>(17,685)</u>
<b>Net current liabilities</b>		<u>(31,349)</u>	<u>(12,010)</u>
<b>Net assets excluding pension liability</b>		544,884	624,717
<b>Pension scheme liability</b>	14	<u>(22,000)</u>	<u>(340,000)</u>
<b>Net assets including pension liability</b>		<u>522,884</u>	<u>284,717</u>
<b>Funds of the charity:</b>			
<b>Endowment funds</b>		547,860	585,000
<b>Restricted income funds</b>			
Restricted funds	15	-	6,605
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>(24,976)</u>	<u>(306,888)</u>
<b>Total funds</b>	15	<u>522,884</u>	<u>284,717</u>

The financial statements on pages 8 to 26 were approved by the trustee, and authorised for issue on 19 December 2023 and signed on their behalf by:

  
 .....  
 Lakeland Arts  
 Trustee

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 1 Accounting policies

##### Statement of compliance

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

##### Basis of preparation

Lakeland Arts Trust meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts are presented in sterling and rounded to the nearest £.

##### Going concern

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

The Finance Committee has delegated responsibility to assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

The charity is part of the Lakeland Arts Group and a fuller explanation of the going concern position for the group can be found in the group accounts. Lakeland Arts Trust is reliant on Lakeland Arts to continue payment of the pensions deficit.

##### Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### *Donations and legacies*

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

##### *Investment income*

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

## **Lakeland Arts Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Raising funds***

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

#### ***Charitable activities***

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

#### **Governance costs**

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

#### **Taxation**

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

#### **Heritage assets**

The Lakeland Arts Trust's primary purpose is to establish a public art gallery and museums for the town of Kendal and surrounding areas, and to advance artistic and historic interests in the area. In this connection the Trust holds collections at Abbot Hall, Lakeland Museum, Blackwell and Windermere Jetty Museum.

These are inalienable heritage assets in the sense that it is a fundamental part of the Trust's purpose to hold and preserve them permanently, and the Trust is effectively prohibited from disposing of them for any other purpose, not only by the terms of its Trust Deed, but also by external considerations including conditions applied by funding bodies. These collections items are not assets in the normal sense of the word because under the irrevocable terms of their present use they have no market value. To provide a market value based on an impermissible change of use would be misleading. The Trustee considers that the collections are heritage assets and that because of the above information on their cost or valuation is not available or would be misleading and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the charity and the Trust does not, therefore, represent them on the Balance Sheet. The Trust instead makes the disclosures required by 18.26 to 18.31 of the Charities Statement of Recommended Practice (FRS102).

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### Fixed asset investments

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

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

#### Cash and cash equivalents

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

#### Trade creditors

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

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

#### Fund structure

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, in this case to generate income to maintain Blackwell the Arts & Crafts House. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### **Pensions and other post retirement obligations**

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

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

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

#### **Financial instruments**

##### *Classification*

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

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

##### *Recognition and measurement*

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

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

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

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

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### *Investments*

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

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

#### *Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

## 2 Income from donations and legacies

	<b>Unrestricted funds General £</b>	<b>Total 2023 £</b>
Donations and legacies;		
Donations from individuals	3,511	3,511
Regular giving and capital donations	6,494	6,494
	10,005	10,005
	<b>Unrestricted funds General £</b>	<b>Total 2022 £</b>
Donations and legacies;		
Donations from individuals	1,060	1,060
Regular giving and capital donations	6,034	6,034
	7,094	7,094

**Lakeland Arts Trust**

**Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)**

**3 Investment income**

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2023 £</b>
Income from dividends;			
Dividends receivable from other listed investments	-	19,403	19,403
Interest receivable and similar income;			
Interest receivable on bank deposits	10	-	10
	10	19,403	19,413
	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2022 £</b>
Income from dividends;			
Dividends receivable from other listed investments	-	17,405	17,405
Interest receivable and similar income;			
Interest receivable on bank deposits	1	-	1
	1	17,405	17,406

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### 4 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Donations to Lakeland Arts	21,878	26,008	47,886
Support costs	11,865	-	11,865
	<u>33,743</u>	<u>26,008</u>	<u>59,751</u>
	Unrestricted funds General £	Restricted funds £	Total 2022 £
Donations to Lakeland Arts	-	10,800	10,800
Support costs	16,886	-	16,886
Collection costs	1,137	-	1,137
	<u>18,023</u>	<u>10,800</u>	<u>28,823</u>
	Activity undertaken directly £	Activity support costs £	2023 £
Donations to Lakeland Arts	47,886	-	47,886
Support costs	-	11,865	11,865
	<u>47,886</u>	<u>11,865</u>	<u>59,751</u>
	Activity undertaken directly £	Activity support costs £	2022 £
Donations to Lakeland Arts	10,800	-	10,800
Support costs	-	16,886	16,886
Collection costs	1,137	-	1,137
	<u>11,937</u>	<u>16,886</u>	<u>28,823</u>

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### 5 Analysis of governance and support costs

##### Governance costs

	<b>Unrestricted funds General £</b>	<b>Total 2023 £</b>
Staff costs		
Pension costs	10,900	10,900
Independent examiner fees		
Examination of the financial statements	965	965
	11,865	11,865
	<b>Unrestricted funds General £</b>	<b>Total 2022 £</b>
Staff costs		
Pension costs	11,600	11,600
Independent examiner fees		
Examination of the financial statements	1,260	1,260
Legal fees	3,420	3,420
	16,280	16,280

#### 6 Trustee remuneration and expenses

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

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

#### 7 Staff costs

The aggregate payroll costs were as follows:

	<b>2023 £</b>	<b>2022 £</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	-	606
Pension costs	10,900	11,600
	10,900	12,206

1 (2022 - 1) of the above employees participated in the Defined Benefit Pension Schemes.

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

No employee received emoluments of more than £60,000 during the year

#### 8 Independent examiner's remuneration

	2023 £	2022 £
Examination of the financial statements	965	1,260

#### 9 Taxation

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

#### 10 Heritage assets

##### Summary of transactions

	2023 £	2022 £	2021 £	2020 £	2019 £
<b>Purchases and additions</b>					
Ephemera	-	-	-	10	-
Furniture	-	-	-	25,000	-
Drawings	-	17,344	-	-	15,300
Maritime	100	10,000	-	-	-
<b>Donations</b>					
Books	-	130	-	155	-
Ceramics	-	1,240	-	-	-
Costume	-	30	-	-	-
Drawings	-	5,430	-	1,260	-
Engraving	-	-	-	500	-
Ephemera	-	20	-	240	-
Furniture	-	105,080	-	3,000	-
Paintings	-	14,000	214,000	-	40,000
Photographic prints	-	300	-	-	-
Photographs	5	-	3,100	-	-
Sculpture	-	-	750,000	-	-
Social history	-	4,571	100	-	170
Textiles	200	-	-	-	-
Maritime	7,310	35,015	16,000	100	45,200
Horology	-	-	-	500	-
<b>Total additions</b>	<b>7,615</b>	<b>193,160</b>	<b>983,200</b>	<b>30,765</b>	<b>100,670</b>

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### Heritage assets not recognised in the balance sheet

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

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

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

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

The principal areas of the collection are:

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

#### Acquisitions

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

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### Disposal

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

#### Preservation and Management

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

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

#### 11 Fixed asset investments

	2023 £	2022 £
Other investments	<u>576,233</u>	<u>636,727</u>
<b>Other investments</b>	<b>Listed investments £</b>	<b>Total £</b>
<b>Cost or Valuation</b>		
At 1 April 2022	636,727	636,727
Revaluation	(46,518)	(46,518)
Additions	17,997	17,997
Disposals	<u>(31,973)</u>	<u>(31,973)</u>
At 31 March 2023	<u>576,233</u>	<u>576,233</u>
<b>Net book value</b>		
At 31 March 2023	<u>576,233</u>	<u>576,233</u>
At 31 March 2022	<u>636,727</u>	<u>636,727</u>

All fixed asset investments are held within the United Kingdom.

#### 12 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	100	100
Short-term deposits	<u>502</u>	<u>5,575</u>
	<u>602</u>	<u>5,675</u>

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### 13 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	-	600
Owed by/(from) group undertakings	29,601	14,735
Accruals	2,350	2,350
	31,951	17,685

#### 14 Pension and other schemes

##### Defined benefit pension schemes

##### Cumbria Local Government Pension Scheme

Lakeland Arts Trust is a member of the Cumbria Local Government Pension Scheme. This is a multi-employer scheme and the figures in these accounts are from the latest Mercer report on Lakeland Arts Trust's share of the scheme. The last actuarial valuation was 31 March 2022.

##### *Reconciliation of scheme assets and liabilities to assets and liabilities recognised*

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

	2023 £	2022 £
Fair value of scheme assets	1,347,000	1,495,000
Present value of defined benefit obligation	(1,369,000)	(1,835,000)
Defined benefit pension scheme deficit	(22,000)	(340,000)

##### *Defined benefit obligation*

Changes in the defined benefit obligation are as follows:

	2023 £
Present value at start of year	(1,835,000)
Current service cost	(3,000)
Interest on pension liabilities	(51,000)
Actuarial gains and losses	449,000
Benefits paid	71,000
Present value at end of year	(1,369,000)

##### *Fair value of scheme assets*

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

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

	2023 £
Fair value at start of year	1,495,000
Interest income	41,000
Actuarial gains and losses	(134,000)
Employer contributions	16,000
Benefits paid	<u>(71,000)</u>
Fair value at end of year	<u>1,347,000</u>

#### *Analysis of assets*

The major categories of scheme assets are as follows:

	2023 £	2022 £
Cash and cash equivalents	35,000	42,000
Equity instruments	492,000	524,000
Government bonds	189,000	253,000
Property	104,000	136,000
Other	<u>527,000</u>	<u>540,000</u>
	<u>1,347,000</u>	<u>1,495,000</u>

#### *Return on scheme assets*

	2023 £	2022 £
Return on scheme assets	<u>(58,000)</u>	<u>135,000</u>

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

#### *Principal actuarial assumptions*

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

	2023 %	2022 %
Mortality rate	1.75	1.75
Discount rate	4.90	2.80
Future salary increases	4.20	5.00
Future pension increases	2.80	3.60
Inflation	<u>2.70</u>	<u>3.50</u>

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### *Post retirement mortality assumptions*

	2023 Years	2022 Years
Current UK pensioners at retirement age - male	22.00	23.00
Current UK pensioners at retirement age - female	24.00	25.00
Future UK pensioners at retirement age - male	23.00	24.00
Future UK pensioners at retirement age - female	<u>26.00</u>	<u>27.00</u>

#### **Multi-employer plans**

This is a defined benefit plan.

#### **15 Funds**

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
<b>Unrestricted funds</b>					
<i>General</i>					
Unrestricted general funds	33,112	10,045	(36,755)	(9,378)	(2,976)
<i>Designated</i>					
Pension deficit	<u>(340,000)</u>	<u>-</u>	<u>3,000</u>	<u>315,000</u>	<u>(22,000)</u>
<b>Total unrestricted funds</b>	<b>(306,888)</b>	<b>10,045</b>	<b>(33,755)</b>	<b>305,622</b>	<b>(24,976)</b>
<b>Restricted funds</b>					
Restricted Blackwell Income Funds	6,605	19,403	(26,008)	-	-
<b>Endowment funds</b>					
<i>Permanent</i>					
Blackwell Endowment Fund	<u>585,000</u>	<u>-</u>	<u>-</u>	<u>(37,140)</u>	<u>547,860</u>
<b>Total funds</b>	<b><u>284,717</u></b>	<b><u>29,448</u></b>	<b><u>(59,763)</u></b>	<b><u>268,482</u></b>	<b><u>522,884</u></b>

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>					
<i>General</i>					
Unrestricted general funds	39,930	7,125	(20,023)	6,080	33,112
<i>Designated</i>					
Pension deficit	<u>(436,000)</u>	<u>-</u>	<u>2,000</u>	<u>94,000</u>	<u>(340,000)</u>
<b>Total unrestricted funds</b>	<b>(396,070)</b>	<b>7,125</b>	<b>(18,023)</b>	<b>100,080</b>	<b>(306,888)</b>
<b>Restricted</b>					
Restricted Blackwell Income Funds	-	17,405	(10,800)	-	6,605
<b>Endowment funds</b>					
<i>Permanent</i>					
Blackwell Endowment Fund	<u>585,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>585,000</u>
<b>Total funds</b>	<b><u>188,930</u></b>	<b><u>24,530</u></b>	<b><u>(28,823)</u></b>	<b><u>100,080</u></b>	<b><u>284,717</u></b>

The specific purposes for which the funds are to be applied are as follows:

The Blackwell endowment generates income for the upkeep of Blackwell which is transferred to Lakeland Arts for that purpose.

During the year Charity Commission advice was taken on what constituted endowment funds using the original documents. The Charity Commission confirmed that they considered that only £585,000 was endowment funds and on this basis £510,000 was released to assist Lakeland Arts.

Lakeland Arts pays the past deficit contributions against the pension deficit. The charity has agreed a payment schedule of 13 years from 2020 based on the actuarial valuation of 31 March 2019.

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

#### 16 Analysis of net assets between funds

	Unrestricted funds		Endowment funds	Total funds at
	General	Designated	Permanent	31 March
	£	£	£	2023
				£
Fixed asset investments	28,373	-	547,860	576,233
Current assets	602	-	-	602
Current liabilities	(31,951)	-	-	(31,951)
Pension scheme liability	-	(22,000)	-	(22,000)
<b>Total net assets</b>	<b>(2,976)</b>	<b>(22,000)</b>	<b>547,860</b>	<b>522,884</b>

	Unrestricted funds		Restricted funds	Endowment funds	Total funds at
	General	Designated	funds	Permanent	31 March
	£	£	£	£	2022
					£
Fixed asset investments	45,122	-	6,605	585,000	636,727
Current assets	5,675	-	-	-	5,675
Current liabilities	(17,685)	-	-	-	(17,685)
Pension scheme liability	-	(340,000)	-	-	(340,000)
<b>Total net assets</b>	<b>33,112</b>	<b>(340,000)</b>	<b>6,605</b>	<b>585,000</b>	<b>284,717</b>

#### 17 Related party transactions

During the year the charity made the following related party transactions:

##### Lakeland Arts

(Lakeland Arts is the sole corporate trustee.)

Operations are managed by Lakeland Arts which funds any expenses incurred by the charity and is also entitled to the restricted income from the endowment fund to cover maintenance of Blackwell in line with the terms of the endowment. At the balance sheet date the amount due to Lakeland Arts was £29,601 (2022 - £14,735).

**THE LAKELAND ARTS TRUST**

England & Wales - Charity number 526980

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# Accounts

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Charity registration number: 526980

# Lakeland Arts Trust

Annual Report and Financial Statements

for the Year Ended 31 March 2022

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

# **Lakeland Arts Trust**

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## **Lakeland Arts Trust**

### **Reference and Administrative Details**

<b>Trustee</b>	Lakeland Arts, Sole corporate Trustee
<b>Trustees of Lakeland Arts at the date of signing:</b>	E M Astle M Benjamin DL S A Crewe K M Howarth A Karwa E Kentley A M Lyles J A L Mottram PhD D Reid MCIOF G F Rycroft Lady E Scott N W R Thompson
<b>Charity Registration Number</b>	526980
<b>Principal Office</b>	Abbot Hall Kendal Cumbria LA9 5AL
<b>Independent Examiner</b>	Stables Thompson & Briscoe Chartered Accountants & Statutory Auditors Lowther House Lowther Street Kendal Cumbria LA9 4DX
<b>Solicitors</b>	Simpson Millar (to June 2020) 5/7 Skipton Street Morecambe Lancashire LA4 4AW
<b>Bankers</b>	Barclays Bank Plc 9 Highgate Kendal Cumbria LA9 4DF

# Lakeland Arts Trust

## Trustee' Report

The trustee present the annual report together with the financial statements of the charity for the year ended 31 March 2022.

### Objectives and activities

#### *Objects and aims*

The principal objects of the Trust are -

- a) The establishment and maintenance of a public art gallery and museum for the town of Kendal and surrounding districts (formerly the Borough of Kendal, the County of Westmorland and surrounding districts).
- b) Any other public charitable purposes tending to advance artistic, historic or intellectual interests in the area which can conveniently be promoted in combination with the purpose at a) above.

#### *Objectives, strategies and activities*

All activities of Lakeland Arts Trust were transferred as a going concern and from 1 August 2013 were carried out by the new charity, Lakeland Arts.

The collection held by the Trust was loaned to Lakeland Arts throughout the year, and the Blackwell endowment funds generated investment income which was paid across to Lakeland Arts for the maintenance of the Blackwell building.

#### *Public benefit*

Abbot Hall was opened as an art gallery in September 1962 and has since built up an outstanding art collection and created one of the strongest exhibition programmes outside London.

In 1971 the Museum of Lakeland Life & Industry (MOLLI) was opened in the coach house and stable block at Abbot Hall and developed an important and extensive collection relating to the social and industrial history of the Lake District and Kendal.

In July 2001 Blackwell was opened, a Grade 1 Listed house, in a stunning position above Lake Windermere, looking across to the Coniston Fells. Designed by MH Baillie Scott and completed in 1900, this is one of the most important Arts and Crafts houses in the UK with a national reputation for its programme of exhibiting historic and contemporary crafts.

In March 2019 Windermere Jetty was opened, a world-class museum and tourist attraction.

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

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

### Financial review

#### *Policy on reserves*

The only reserves held by the charity are the endowment fund for Blackwell House which is held as investments. This fund cannot be expended but the income is to be spent on the maintenance of Blackwell House.

#### *Funds in deficit*

As at 31st March 2022, the unrestricted funds deficit reduced from (£396,070) at 31st March 2021 to (£306,888) of which £(340,000) represented the pension deficit and £33,112 was unrestricted reserves.

# **Lakeland Arts Trust**

## **Trustee' Report**

### ***Investment policy and objectives***

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

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

### **Structure, governance and management**

#### ***Nature of governing document***

The Lakeland Arts Trust (the Trust) is an unincorporated trust, constituted under a trust deed dated 19 August 1957 and is a registered charity, number 526980. The Trust was formed to save Abbot Hall, an important mid eighteenth century Grade 1 Listed house on the banks of the River Kent in Kendal, and to convert it into an Art Gallery.

During 2013 an important and substantial change in the constitution under which the activities of the Trust are carried out was completed. The Trustees determined that it is in the best interests of the Trust to restructure in order to minimise risk to its assets whilst enabling the Trust to achieve its charitable objectives.

The Trust incorporated Lakeland Arts, a company limited by guarantee (Company number 8162578) and completed its registration as a charity (Charity number 1153001) with similar objects to the Trust so as to replace the Trust as the operator of the various venues for use by the public and to carry forward the redevelopment of the Windermere Jetty Museum.

At the close of business on 31 July 2013 the funds, assets and liabilities of Lakeland Arts Trust were transferred to the new charity. Lakeland Arts Trust continues to hold the Blackwell Endowment which is a permanent endowment, and the collections which are loaned to the new charity.

All individual Trustees of the Trust resigned on 31 July 2013 and were appointed as Directors and Trustees of the new charity, Lakeland Arts, which became sole corporate Trustee of Lakeland Arts Trust. There is no limit to the duration of the term of the sole corporate Trustee provided that it remains an incorporated entity and registered as a charity with the Charity Commission.

#### ***Recruitment and appointment of trustee***

Lakeland Arts is the sole corporate trustee.

# Lakeland Arts Trust

## Trustee' Report

### Relationships with related parties

#### Lakeland Arts

Lakeland Arts is the sole corporate trustee. The charitable company loans the collections owned by Lakeland Arts Trust and operates Abbot Hall, the Museum of Lakeland Life & Industry (MOLLI) and Blackwell House in conjunction with its trading subsidiary Lakeland Arts Enterprises Limited. Lakeland Arts Trust pays the income arising on the Blackwell endowment across to Lakeland Arts for the maintenance of Blackwell House and Lakeland Arts covers any operational expenses by way of donation.

#### Lakeland Arts Support Trust

The Lakeland Arts Support Trust, a charitable company formed in 1998 for the purpose of generating income to provide financial support for Lakeland Arts Trust (and now Lakeland Arts) at its Abbot Hall site in Kendal.

#### South Lakeland District Council

South Lakeland District Council owns the Abbot Hall building; SLDC also makes an annual grant towards Lakeland Art's costs.

### Major risks and management of those risks

#### Risk management

All significant activities undertaken are subject to a risk review as part of the initial project assessment and implementation. Major risks are identified and ranked in terms of their potential impact and likelihood. Major risks, for this purpose, are those that may have a significant effect on:

- Operational performance, including risks to staff, volunteers and visitors;
- Achievement of aims and objectives; or
- Meeting the expectations of beneficiaries or supporters.

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

- Regular monitoring of major risks and development of disaster recovery plans;
- Embedding risk identification and assessment within operating procedures;
- A clear structure of delegated authority and control; and
- Maintaining reserves in line with set policies.

In assessing risk the Trustees recognise that some areas of work require the acceptance and management of risk if key objectives are to be achieved. The Trustees have reviewed the major risks to which the Trust is exposed, under the headings of:

- Fire, flood and major disaster;
- Security;
- Health and Safety; and
- Financial Controls.

### Financial instruments

#### Objectives and policies

The Charity's activities are now restricted to holding investments and loaning its collection. These activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The charity does not use derivative financial instruments.

# Lakeland Arts Trust

## Trustee' Report

### *Cash flow risk*

The Charity's activities expose it primarily to the financial risks of changes in investment values and investment income. The investments are managed to provide a balanced return from a broad spread of medium risk investments, and for general funds to provide a higher income from a spread of lower risk investments.

### *Credit risk*

The Charity's principal financial assets are investments. The credit risk is not material as operations are conducted by Lakeland Arts.

### *Liquidity risk*

As operations are conducted by Lakeland Arts liquidity risk is not material.

The annual report was approved by the trustee of the charity on 9 December 2022 and signed on its behalf by:

.....  
Lakeland Arts  
Trustee

## Lakeland Arts Trust

### Statement of Trustee' Responsibilities

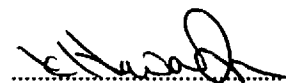
The trustee are responsible for preparing the trustee' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee are required to:

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

The trustee are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustee are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustee of the charity on 9 December 2022 and signed on its behalf by:



Lakeland Arts  
Trustee

## Lakeland Arts Trust

### Independent Examiner's Report to the trustees of Lakeland Arts Trust

I report to the trustee on my examination of the accounts of Lakeland Arts Trust for the year ended 31 March 2022.

#### Responsibilities and basis of report

As the charity trustee of Lakeland Arts Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

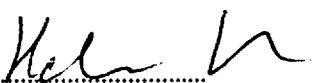
I report in respect of my examination of the Lakeland Arts Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of Lakeland Arts Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

  
.....  
Helen Holmes BSc FCA  
Chartered Accountants & Statutory Auditors  
ICAEW

Lowther House  
Lowther Street  
Kendal  
Cumbria  
LA9 4DX

5 January 2023

## Lakeland Arts Trust

### Statement of Financial Activities for the Year Ended 31 March 2022

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £
<b>Income and Endowments from:</b>					
Donations and legacies		7,094	-	-	7,094
Investment income	3	1	17,405	-	17,406
Other income		30	-	-	30
<b>Total income</b>		<u>7,125</u>	<u>17,405</u>	<u>-</u>	<u>24,530</u>
<b>Expenditure on:</b>					
Charitable activities		<u>(18,023)</u>	<u>(10,800)</u>	<u>-</u>	<u>(28,823)</u>
<b>Total expenditure</b>		<u>(18,023)</u>	<u>(10,800)</u>	<u>-</u>	<u>(28,823)</u>
Gains/losses on investment assets		<u>6,080</u>	<u>-</u>	<u>-</u>	<u>6,080</u>
<b>Net (expenditure)/income</b>		<u>(4,818)</u>	<u>6,605</u>	<u>-</u>	<u>1,787</u>
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes		<u>94,000</u>	<u>-</u>	<u>-</u>	<u>94,000</u>
<b>Net movement in funds</b>		<u>89,182</u>	<u>6,605</u>	<u>-</u>	<u>95,787</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>(396,070)</u>	<u>-</u>	<u>585,000</u>	<u>188,930</u>
Total funds carried forward	16	<u><u>(306,888)</u></u>	<u><u>6,605</u></u>	<u><u>585,000</u></u>	<u><u>284,717</u></u>

## Lakeland Arts Trust

### Statement of Financial Activities for the Year Ended 31 March 2022


Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies	9,520	-	-	9,520
Investment income	1	20,171	-	20,172
Other income	30	-	-	30
<b>Total income</b>	<b>9,551</b>	<b>20,171</b>	<b>-</b>	<b>29,722</b>
<b>Expenditure on:</b>				
Raising funds	(1,165)	-	-	(1,165)
Charitable activities	(56,271)	(20,171)	-	(76,442)
<b>Total expenditure</b>	<b>(57,436)</b>	<b>(20,171)</b>	<b>-</b>	<b>(77,607)</b>
Gains/losses on investment assets	6,295	-	101,155	107,450
Net (expenditure)/income	(41,590)	-	101,155	59,565
Gross transfers between funds	101,155	-	(101,155)	-
<b>Other recognised gains and losses</b>				
Actuarial gains/(losses) on defined benefit pension schemes	56,000	-	-	56,000
Net movement in funds	115,565	-	-	115,565
<b>Reconciliation of funds</b>				
Total funds brought forward	(511,635)	-	585,000	73,365
Total funds carried forward	(396,070)	-	585,000	188,930

All of the charity's activities derive from continuing operations during the above two periods. The funds breakdown for 2021 is shown in note 16.

**Lakeland Arts Trust**  
**(Registration number: 526980)**  
**Balance Sheet as at 31 March 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	12	636,727	621,838
<b>Current assets</b>			
Cash at bank and in hand	13	5,675	6,666
<b>Creditors: Amounts falling due within one year</b>	14	<u>(17,685)</u>	<u>(3,574)</u>
<b>Net current (liabilities)/assets</b>		<u>(12,010)</u>	<u>3,092</u>
<b>Net assets excluding pension liability</b>		624,717	624,930
<b>Pension scheme liability</b>	15	<u>(340,000)</u>	<u>(436,000)</u>
<b>Net assets including pension liability</b>		<u>284,717</u>	<u>188,930</u>
<b>Funds of the charity:</b>			
<b>Endowment funds</b>			
		585,000	585,000
<b>Restricted income funds</b>			
Restricted funds	16	6,605	-
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>(306,888)</u>	<u>(396,070)</u>
<b>Total funds</b>	16	<u>284,717</u>	<u>188,930</u>

The financial statements on pages 8 to 26 were approved by the trustee, and authorised for issue on 9 December 2022 and signed on their behalf by:



.....  
Lakeland Arts  
Trustee

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 1 Accounting policies

##### **Statement of compliance**

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

##### **Basis of preparation**

Lakeland Arts Trust meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts are presented in sterling and rounded to the nearest £.

##### **Going concern**

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

The Finance Committee has delegated responsibility to assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

The charity is part of the Lakeland Arts Group and a fuller explanation of the going concern position for the group can be found in the group accounts. Lakeland Arts Trust is reliant on Lakeland Arts to continue payment of the pensions deficit.

##### **Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### ***Donations and legacies***

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

##### ***Investment income***

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

## **Lakeland Arts Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Raising funds***

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

#### ***Charitable activities***

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

#### **Governance costs**

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

#### **Taxation**

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

#### **Heritage assets**

The Lakeland Arts Trust's primary purpose is to establish a public art gallery and museums for the town of Kendal and surrounding areas, and to advance artistic and historic interests in the area. In this connection the Trust holds collections at Abbot Hall, the Museum of Lakeland Life and Industry, Blackwell and the Steamboat Museum.

These are inalienable heritage assets in the sense that it is a fundamental part of the Trust's purpose to hold and preserve them permanently, and the Trust is effectively prohibited from disposing of them for any other purpose, not only by the terms of its Trust Deed, but also by external considerations including conditions applied by funding bodies. These collections items are not assets in the normal sense of the word because under the irrevocable terms of their present use they have no market value. To provide a market value based on an impermissible change of use would be misleading. The Trustee considers that the collections are heritage assets and that because of the above information on their cost or valuation is not available or would be misleading and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the charity and the Trust does not, therefore, represent them on the Balance Sheet. The Trust instead makes the disclosures required by 18.26 to 18.31 of the Charities Statement of Recommended Practice (FRS102).

## **Lakeland Arts Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **Fixed asset investments**

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

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

#### **Cash and cash equivalents**

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

#### **Trade creditors**

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

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

#### **Fund structure**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, in this case to generate income to maintain Blackwell the Arts & Crafts House. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### **Pensions and other post retirement obligations**

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

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

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

#### **Financial instruments**

##### ***Classification***

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

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

##### ***Recognition and measurement***

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

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

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

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

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### *Investments*

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

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

#### *Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

#### **2 Income from donations and legacies**

	<b>Unrestricted funds General £</b>	<b>Total 2022 £</b>
Donations and legacies;		
Donations from individuals	1,060	1,060
Regular giving and capital donations	<u>6,034</u>	<u>6,034</u>
	<u>7,094</u>	<u>7,094</u>
	<b>Unrestricted funds General £</b>	<b>Total 2021 £</b>
Donations and legacies;		
Donations from individuals	1,741	1,741
Regular giving and capital donations	<u>7,779</u>	<u>7,779</u>
	<u>9,520</u>	<u>9,520</u>

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 3 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Income from dividends;			
Dividends receivable from other listed investments	-	17,405	17,405
Interest receivable and similar income;			
Interest receivable on bank deposits	<u>1</u>	<u>-</u>	<u>1</u>
	<u>1</u>	<u>17,405</u>	<u>17,406</u>
	Unrestricted funds General £	Restricted funds £	Total 2021 £
Income from dividends;			
Dividends receivable from other listed investments	-	20,171	20,171
Interest receivable and similar income;			
Interest receivable on bank deposits	<u>1</u>	<u>-</u>	<u>1</u>
	<u>1</u>	<u>20,171</u>	<u>20,172</u>

#### 4 Expenditure on raising funds

##### a) Investment management costs

	Unrestricted funds General £	Total funds £
<b>Total for 2022</b>	<u>-</u>	<u>-</u>
<b>Total for 2021</b>	<u>1,165</u>	<u>1,165</u>
	<b>Direct costs £</b>	<b>Total costs £</b>
<b>Total for 2021</b>	<u>1,165</u>	<u>1,165</u>

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 5 Expenditure on charitable activities

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2022 £</b>
Donations to Lakeland Arts	-	10,800	10,800
Support costs	16,886	-	16,886
Collection costs	1,137	-	1,137
	<b>18,023</b>	<b>10,800</b>	<b>28,823</b>
	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2021 £</b>
Donations to Lakeland Arts	42,247	20,171	62,418
Support costs	14,024	-	14,024
	<b>56,271</b>	<b>20,171</b>	<b>76,442</b>
	<b>Activity undertaken directly £</b>	<b>Activity support costs £</b>	<b>2022 £</b>
Donations to Lakeland Arts	10,800	-	10,800
Support costs	-	16,886	16,886
Collection costs	1,137	-	1,137
	<b>11,937</b>	<b>16,886</b>	<b>28,823</b>
	<b>Activity undertaken directly £</b>	<b>Activity support costs £</b>	<b>2021 £</b>
Donations to Lakeland Arts	62,418	-	62,418
Support costs	-	14,024	14,024
	<b>62,418</b>	<b>14,024</b>	<b>76,442</b>

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 6 Analysis of governance and support costs

##### Governance costs

	<b>Unrestricted funds General £</b>	<b>Total 2022 £</b>
Staff costs		
Pension costs	11,600	11,600
Independent examiner fees		
Examination of the financial statements	1,260	1,260
Legal fees	3,420	3,420
	16,280	16,280
	<b>Unrestricted funds General £</b>	<b>Total 2021 £</b>
Staff costs		
Pension costs	13,300	13,300
Independent examiner fees		
Examination of the financial statements	724	724
	14,024	14,024

#### 7 Trustee remuneration and expenses

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

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

#### 8 Staff costs

The aggregate payroll costs were as follows:

	<b>2022 £</b>	<b>2021 £</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	606	-
Pension costs	11,600	13,300
	12,206	13,300

(2021 - 1) of the above employees participated in the Defined Contribution Pension Schemes.

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2022

No employee received emoluments of more than £60,000 during the year

#### 9 Independent examiner's remuneration

	2022 £	2021 £
Examination of the financial statements	1,260	724

#### 10 Taxation

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

#### 11 Heritage assets

##### Summary of transactions

	2022 £	2021 £	2020 £	2019 £	2017 £
<b>Purchases and additions</b>					
Ephemera	-	-	10	-	-
Furniture	-	-	25,000	-	20,000
Textiles	-	-	-	-	1,062
Drawings	17,344	-	-	15,300	-
Maritime	10,000	-	-	-	-
<b>Donations</b>					
Books	130	-	155	-	-
Ceramics	1,240	-	-	-	-
Costume	30	-	-	-	-
Drawings	5,430	-	1,260	-	100
Engraving	-	-	500	-	-
Ephemera	20	-	240	-	-
Furniture	105,080	-	3,000	-	-
Industrial history	-	-	-	-	100
Paintings	14,000	214,000	-	40,000	1,260,000
Photographic prints	300	-	-	-	-
Photographs	-	3,100	-	-	-
Sculpture	-	750,000	-	-	-
Social history	4,571	100	-	170	250
Maritime	35,015	16,000	100	45,200	-
Horology	-	-	500	-	-
<b>Total additions</b>	<b>193,160</b>	<b>983,200</b>	<b>30,765</b>	<b>100,670</b>	<b>1,281,512</b>

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### Heritage assets not recognised in the balance sheet

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

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

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

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

The principal areas of the collection are:

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

#### Acquisitions

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

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### Disposal

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

#### Preservation and Management

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

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

#### 12 Fixed asset investments

	2022	2021
	£	£
Other investments	<u>636,727</u>	<u>621,838</u>

#### Other investments

	Listed investments	Total
	£	£
<b>Cost or Valuation</b>		
At 1 April 2021	621,838	621,838
Revaluation	6,080	6,080
Additions	<u>8,809</u>	<u>8,809</u>
At 31 March 2022	<u>636,727</u>	<u>636,727</u>
<b>Net book value</b>		
At 31 March 2022	<u>636,727</u>	<u>636,727</u>
At 31 March 2021	<u>621,838</u>	<u>621,838</u>

All fixed asset investments are held within the United Kingdom.

#### 13 Cash and cash equivalents

	2022	2021
	£	£
Cash at bank	100	101
Short-term deposits	<u>5,575</u>	<u>6,565</u>
	<u>5,675</u>	<u>6,666</u>

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 14 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	600	1,224
Owed by/(from) group undertakings	14,735	-
Other creditors	-	1,150
Accruals	2,350	1,200
	17,685	3,574

#### 15 Pension and other schemes

##### Defined benefit pension schemes

##### Cumbria Local Government Pension Scheme

Lakeland Arts Trust is a member of the Cumbria Local Government Pension Scheme. This is a multi-employer scheme and the figures in these accounts are from the latest Mercer report on Lakeland Arts Trust's share of the scheme. The last actuarial valuation was 31 March 2019.

##### *Reconciliation of scheme assets and liabilities to assets and liabilities recognised*

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

	2022	2021
	£	£
Fair value of scheme assets	1,495,000	1,422,000
Present value of defined benefit obligation	(1,835,000)	(1,858,000)
Defined benefit pension scheme deficit	(340,000)	(436,000)

##### *Defined benefit obligation*

Changes in the defined benefit obligation are as follows:

	2022
	£
Present value at start of year	(1,858,000)
Current service cost	(3,000)
Interest on pension liabilities	(39,000)
Actuarial gains and losses	(13,000)
Benefits paid	78,000
Present value at end of year	(1,835,000)

##### *Fair value of scheme assets*

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

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2022

	<b>2022</b> £
Fair value at start of year	1,422,000
Interest income	29,000
Actuarial gains and losses	107,000
Employer contributions	15,000
Benefits paid	<u>(78,000)</u>
Fair value at end of year	<u><u>1,495,000</u></u>

#### *Analysis of assets*

The major categories of scheme assets are as follows:

	<b>2022</b> £	<b>2021</b> £
Cash and cash equivalents	42,000	58,000
Equity instruments	524,000	546,000
Government bonds	253,000	250,000
Property	136,000	114,000
Other	<u>540,000</u>	<u>454,000</u>
	<u><u>1,495,000</u></u>	<u><u>1,422,000</u></u>

#### *Return on scheme assets*

	<b>2022</b> £	<b>2021</b> £
Return on scheme assets	<u>135,000</u>	<u>237,000</u>

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

#### *Principal actuarial assumptions*

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

	<b>2022</b> %	<b>2021</b> %
Mortality rate	1.75	1.75
Discount rate	2.80	2.10
Future salary increases	5.00	4.20
Future pension increases	3.60	2.80
Inflation	<u>3.50</u>	<u>2.70</u>

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2022

**Post retirement mortality assumptions**

	2022 Years	2021 Years
Current UK pensioners at retirement age - male	23.00	23.00
Current UK pensioners at retirement age - female	25.00	25.00
Future UK pensioners at retirement age - male	24.00	24.00
Future UK pensioners at retirement age - female	27.00	27.00

**Multi-employer plans**

This is a defined benefit plan.

**16 Funds**

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>					
<i>General</i>					
Unrestricted general funds	39,930	7,125	(20,023)	6,080	33,112
<i>Designated</i>					
Pension deficit	(436,000)	-	2,000	94,000	(340,000)
<b>Total unrestricted funds</b>	<b>(396,070)</b>	<b>7,125</b>	<b>(18,023)</b>	<b>100,080</b>	<b>(306,888)</b>
<b>Restricted funds</b>					
Restricted Blackwell Income Funds	-	17,405	(10,800)	-	6,605
<b>Endowment funds</b>					
<i>Permanent</i>					
Blackwell Endowment Fund	585,000	-	-	-	585,000
<b>Total funds</b>	<b>188,930</b>	<b>24,530</b>	<b>(28,823)</b>	<b>100,080</b>	<b>284,717</b>

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2022

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>						
<i>General</i>						
Unrestricted general funds	(19,635)	9,551	(42,436)	86,155	6,295	39,930
<i>Designated</i>						
Pension deficit	<u>(492,000)</u>	-	<u>(15,000)</u>	<u>15,000</u>	<u>56,000</u>	<u>(436,000)</u>
<b>Total unrestricted funds</b>	<b>(511,635)</b>	<b>9,551</b>	<b>(57,436)</b>	<b>101,155</b>	<b>62,295</b>	<b>(396,070)</b>
<b>Restricted</b>						
Restricted Blackwell Income Funds	-	20,171	(20,171)	-	-	-
<b>Endowment funds</b>						
<i>Permanent</i>						
Blackwell Endowment Fund	<u>585,000</u>	-	-	<u>(101,155)</u>	<u>101,155</u>	<u>585,000</u>
<b>Total funds</b>	<u><u>73,365</u></u>	<u><u>29,722</u></u>	<u><u>(77,607)</u></u>	<u><u>-</u></u>	<u><u>163,450</u></u>	<u><u>188,930</u></u>

The specific purposes for which the funds are to be applied are as follows:

The Blackwell endowment generates income for the upkeep of Blackwell which is transferred to Lakeland Arts for that purpose.

During the year Charity Commission advice was taken on what constituted endowment funds using the original documents. The Charity Commission confirmed that they considered that only £585,000 was endowment funds and on this basis £510,000 was released to assist Lakeland Arts.

Lakeland Arts pays the past deficit contributions against the pension deficit. The charity has agreed a payment schedule of 13 years from 2020 based on the actuarial valuation of 31 March 2019.

## Lakeland Arts Trust

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 17 Analysis of net assets between funds

	Unrestricted funds		Restricted funds £	Endowment funds Permanent £	Total funds at 31 March 2022 £
	General £	Designated £			
Fixed asset investments	45,122	-	6,605	585,000	636,727
Current assets	5,675	-	-	-	5,675
Current liabilities	(17,685)	-	-	-	(17,685)
Pension scheme liability	-	(340,000)	-	-	(340,000)
<b>Total net assets</b>	<b>33,112</b>	<b>(340,000)</b>	<b>6,605</b>	<b>585,000</b>	<b>284,717</b>

	Unrestricted funds		Endowment funds Permanent £	Total funds at 31 March 2021 £
	General £	Designated £		
Fixed asset investments	36,838	-	585,000	621,838
Current assets	6,666	-	-	6,666
Current liabilities	(3,574)	-	-	(3,574)
Pension scheme liability	-	(436,000)	-	(436,000)
<b>Total net assets</b>	<b>39,930</b>	<b>(436,000)</b>	<b>585,000</b>	<b>188,930</b>

#### 18 Related party transactions

During the year the charity made the following related party transactions:

##### Lakeland Arts

(Lakeland Arts is the sole corporate trustee.)

Operations are managed by Lakeland Arts which funds any expenses incurred by the charity and is also entitled to the restricted income from the endowment fund to cover maintenance of Blackwell in line with the terms of the endowment. At the balance sheet date the amount due to Lakeland Arts was £14,735 (2021 - £Nil).