

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

Trustee	Lakeland Arts, Sole corporate Trustee
Trustees of Lakeland Arts at the date of signing:	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
Charity Registration Number	526980
Principal Office	Abbot Hall Kendal Cumbria LA9 5AL
Independent Examiner	Stables Thompson & Briscoe Chartered Accountants & Statutory Auditors Lowther House Lowther Street Kendal Cumbria LA9 4DX
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' 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 I 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

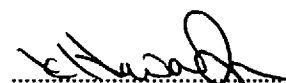
The trustee are responsible for preparing the trustee' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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').

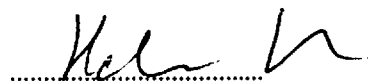
I report in respect of my examination of the Lakeland Arts Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

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 £
Income and Endowments from:					
Donations and legacies		7,094	-	-	7,094
Investment income	3	1	17,405	-	17,406
Other income		30	-	-	30
Total income		<u>7,125</u>	<u>17,405</u>	<u>-</u>	<u>24,530</u>
Expenditure on:					
Charitable activities		<u>(18,023)</u>	<u>(10,800)</u>	<u>-</u>	<u>(28,823)</u>
Total expenditure		<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>
Net (expenditure)/income		<u>(4,818)</u>	<u>6,605</u>	<u>-</u>	<u>1,787</u>
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes		<u>94,000</u>	<u>-</u>	<u>-</u>	<u>94,000</u>
Net movement in funds		<u>89,182</u>	<u>6,605</u>	<u>-</u>	<u>95,787</u>
Reconciliation of funds					
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>

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 2022


	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £
Income and Endowments from:					
Donations and legacies		9,520	-	-	9,520
Investment income	3	1	20,171	-	20,172
Other income		30	-	-	30
Total income		<u>9,551</u>	<u>20,171</u>	<u>-</u>	<u>29,722</u>
Expenditure on:					
Raising funds		(1,165)	-	-	(1,165)
Charitable activities		<u>(56,271)</u>	<u>(20,171)</u>	<u>-</u>	<u>(76,442)</u>
Total expenditure		<u>(57,436)</u>	<u>(20,171)</u>	<u>-</u>	<u>(77,607)</u>
Gains/losses on investment assets		<u>6,295</u>	<u>-</u>	<u>101,155</u>	<u>107,450</u>
Net (expenditure)/income		(41,590)	-	101,155	59,565
Gross transfers between funds		101,155	-	(101,155)	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes		<u>56,000</u>	<u>-</u>	<u>-</u>	<u>56,000</u>
Net movement in funds		115,565	-	-	115,565
Reconciliation of funds					
Total funds brought forward		<u>(511,635)</u>	<u>-</u>	<u>585,000</u>	<u>73,365</u>
Total funds carried forward	16	<u>(396,070)</u>	<u>-</u>	<u>585,000</u>	<u>188,930</u>

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

	Unrestricted funds General £	Total 2022 £
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>
	Unrestricted funds General £	Total 2021 £
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	1	-	1
	<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	1	-	1
	<u>1</u>	<u>20,171</u>	<u>20,172</u>

4 Expenditure on raising funds

a) Investment management costs

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

	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>
	Unrestricted funds General £	Restricted funds £	Total 2021 £
Donations to Lakeland Arts	42,247	20,171	62,418
Support costs	14,024	-	14,024
	<u>56,271</u>	<u>20,171</u>	<u>76,442</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>
	Activity undertaken directly £	Activity support costs £	2021 £
Donations to Lakeland Arts	62,418	-	62,418
Support costs	-	14,024	14,024
	<u>62,418</u>	<u>14,024</u>	<u>76,442</u>

Lakeland Arts Trust

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

6 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2022 £
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
	<u>16,280</u>	<u>16,280</u>
	Unrestricted funds General £	Total 2021 £
Staff costs		
Pension costs	13,300	13,300
Independent examiner fees		
Examination of the financial statements	724	724
	<u>14,024</u>	<u>14,024</u>

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:

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

(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	<u>1,260</u>	<u>724</u>

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 £
Purchases and additions					
Ephemera	-	-	10	-	-
Furniture	-	-	25,000	-	20,000
Textiles	-	-	-	-	1,062
Drawings	17,344	-	-	15,300	-
Maritime	10,000	-	-	-	-
Donations					
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	-	-
Total additions	<u>193,160</u>	<u>983,200</u>	<u>30,765</u>	<u>100,670</u>	<u>1,281,512</u>

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 £
Cost or Valuation		
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>
Net book value		
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
	<u>17,685</u>	<u>3,574</u>

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	<u>(1,835,000)</u>	<u>(1,858,000)</u>
Defined benefit pension scheme deficit	<u>(340,000)</u>	<u>(436,000)</u>

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	<u>78,000</u>
Present value at end of year	<u>(1,835,000)</u>

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

	2022 £
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	(78,000)
Fair value at end of year	<u>1,495,000</u>

Analysis of assets

The major categories of scheme assets are as follows:

	2022 £	2021 £
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	540,000	454,000
	<u>1,495,000</u>	<u>1,422,000</u>

Return on scheme assets

	2022 £	2021 £
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:

	2022 %	2021 %
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	<u>27.00</u>	<u>27.00</u>

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 £
Unrestricted funds					
<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>
Total unrestricted funds	(396,070)	7,125	(18,023)	100,080	(306,888)
Restricted funds					
Restricted Blackwell Income Funds	-	17,405	(10,800)	-	6,605
Endowment funds					
<i>Permanent</i>					
Blackwell Endowment Fund	<u>585,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>585,000</u>
Total funds	<u>188,930</u>	<u>24,530</u>	<u>(28,823)</u>	<u>100,080</u>	<u>284,717</u>

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 £
Unrestricted funds						
<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>-</u>	<u>(15,000)</u>	<u>15,000</u>	<u>56,000</u>	<u>(436,000)</u>
Total unrestricted funds	(511,635)	9,551	(57,436)	101,155	62,295	(396,070)
Restricted						
Restricted Blackwell Income Funds	-	20,171	(20,171)	-	-	-
Endowment funds						
<i>Permanent</i>						
Blackwell Endowment Fund	<u>585,000</u>	<u>-</u>	<u>-</u>	<u>(101,155)</u>	<u>101,155</u>	<u>585,000</u>
Total funds	<u>73,365</u>	<u>29,722</u>	<u>(77,607)</u>	<u>-</u>	<u>163,450</u>	<u>188,930</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	Total funds
	General	Designated		Permanent	at 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)
Total net assets	<u>33,112</u>	<u>(340,000)</u>	<u>6,605</u>	<u>585,000</u>	<u>284,717</u>

	Unrestricted funds		Endowment funds	Total funds
	General	Designated	Permanent	at 31 March
	£	£	£	2021
				£
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)
Total net assets	<u>39,930</u>	<u>(436,000)</u>	<u>585,000</u>	<u>188,930</u>

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).