



# Lakeland Arts Annual Report & Accounts

1st January 2018  
to 31st March 2019

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# Reference and Administrative Details

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## **Trustees**

M J Ainscough BSc DL  
H C F Bowring MA JP DL C M Clarke CBE FRSE  
A R Collinson  
C W N Crewdson OBE JP S A Crewe  
J C Hudson FREng S L Keegan  
J Mottram PhD B Riley  
N W R Thompson

## **Senior Management Team**

R Harris, Chief Executive from February 2019  
L Moss, Chief Operating Officer  
H Watson, Director of Programming  
C Kennedy, Financial Controller from June 2018  
G Watson, Chief Executive to February 2019

## **Principal Office**

Abbot Hall Kendal LA9 5AL  
The charity is incorporated in England.

Company Registration Number: 8162578  
Charity Registration Number: 1153001

## **Solicitors**

JWK,  
5/7 Skipton Street  
Morecambe  
LA4 4AW

## **Bankers**

Barclays Bank Plc  
9 Highgate Kendal LA9 4DF

## **Auditor**

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

# Strategic Report for the Period 1 January 2018 to 31 March 2019

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## Achievements and performance

### Exhibitions and temporary displays

#### **Abbot Hall Art Gallery**

##### **Exhibitions:**

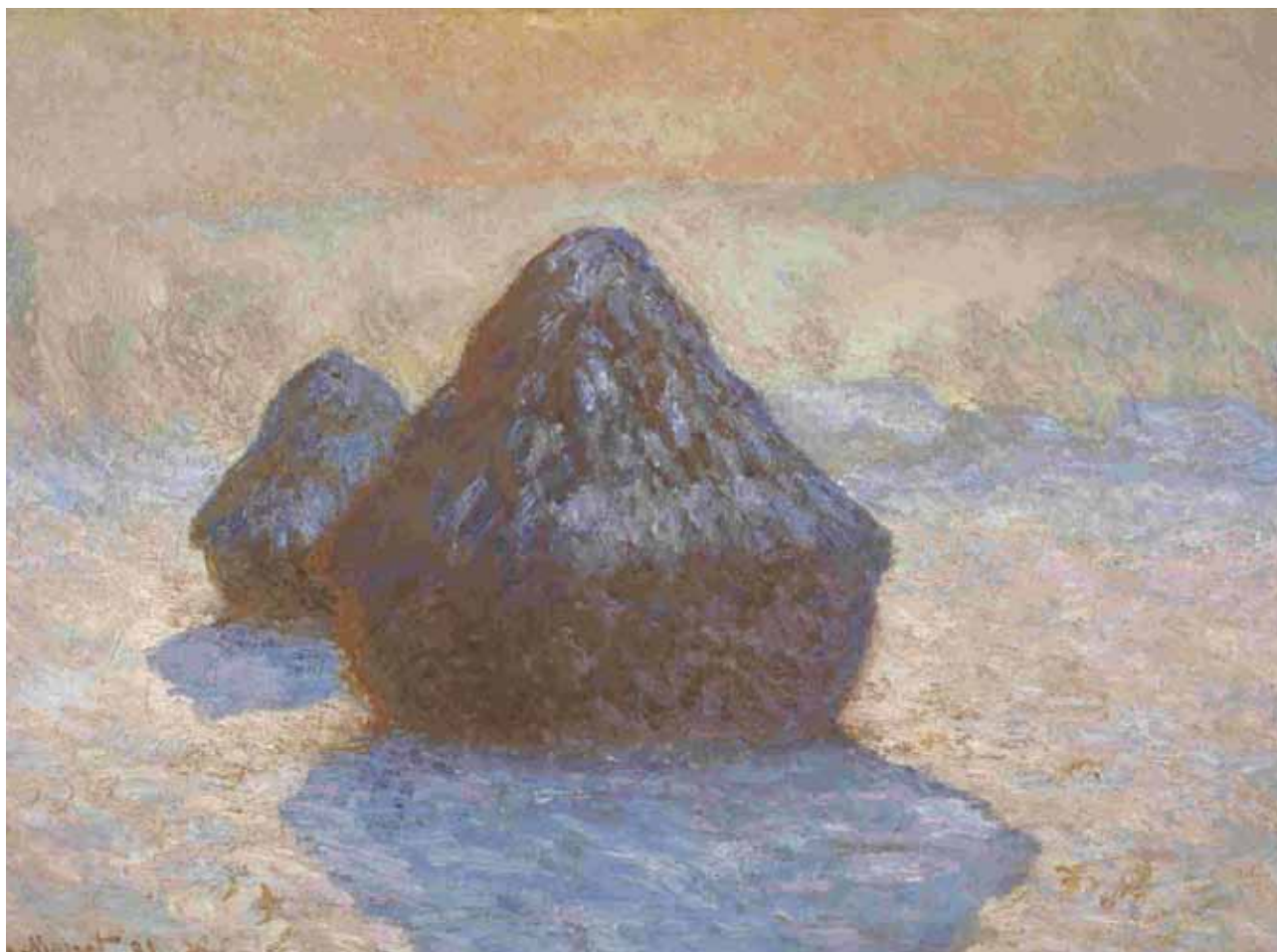
- LAND | SEA | LIFE  
19 October 2017 to 17 February 2018
- Tracing the Landscape: Cumbrian Farm Women  
2 March to 9 June 2018
- History of the Royal Academy RA250  
2 March to 9 June 2018
- Claude Monet: Haystacks, Snow Effect  
12 January to 28 April 2018
- Women of the Royal Academy: RA250  
11 May - Saturday 28 July 2018
- Elisabeth Frink: Fragility and Power  
22 June - 29 September 2018
- Rodin: Rethinking the Fragment  
10 August 2018 - 27 October 2018
- Alison Watt  
12 October 2018 - January 2019
- Grayson Perry: Julie Cope's Grand Tour  
9 November 2018 - 17 February 2019
- Refuge: The Art of Belonging  
15 February - 29 June 2019
- Lady Anne Clifford  
23 March - 22 June 2019

The headline Autumn/Winter 2017-2018 exhibition, LAND | SEA | LIFE was the first of an ongoing series to be presented in partnership with The Ingram Collection, one of the UK's most significant private collections of Modern British art.

The collection was started in 2002 by Chris Ingram, an entrepreneur and philanthropist. With over 70 loans featuring the work of leading British twentieth century artists, the exhibition explored recurring themes and trends in subject matter including still life, the human figure, landscape and abstraction. Artists represented included Henry Moore, Barbara Hepworth, Graham Sutherland, John Piper and Laura Knight. The exhibition also investigated the notion of collecting, comparing the personal motives of Chris Ingram with the Gallery's acquisitions and exploring why we collect. Visitors were invited to share their own collections and motivations for collecting, populating a wall of contributions as part of the exhibition.

The first exhibition of 2018 was a new commission from artist Patricia MacKinnon Day investigating the lives of five Cumbrian farm women through a multi-media art installation. MacKinnon Day received an Arts Council England Grants for the Arts funding to realise project, which built on her previous work with farm women in Cheshire. Through her work, she highlighted the often-neglected role that farm women play in rural communities. The wider programme included





May half-term activities and an 'In Conversation' event on 22 March with the artist and women farmers discussing themes in the exhibition. Produce from the women's farms was sold in the Shop and Café.

The exhibition 'The History of the Royal Academy RA250' was part of a nationwide celebration of the Royal Academy's 250th anniversary. The exhibition was curated by Nick Rogers and featured works by Royal Academicians from Abbot Hall's collection including Angelica Kauffman, JMW Turner, LS Lowry, Paul Nash, Victor Pasmore and David Hockney. This was the first of two exhibitions as part of Lakeland Arts contribution to the celebrations, which was supported by a two-part talk series.

The in-focus exhibition of Monet's Haystacks, Snow Effect on loan from the National Galleries of Scotland. Part of Monet's series

of over 30 paintings of haystacks painted at different times of day and in different seasons to capture the effect of changing light on their form. Michael Clarke, Lakeland Arts Trustee and ex-Director of Scottish National Gallery, who is a leading expert on Monet, gave two sold-out talks and the Learning delivered family half-term and Easter holiday activities and a series of drop-in sessions in the Art Studio to accompany the exhibition. There was also a Paint Night on 5 April 2018 which was inspired by Monet. This pilot project was aimed at young professionals who want to learn new skills in a social environment.

'Women of the Royal Academy' was the second part of our collection-based exhibitions marking the 250th anniversary of the Royal Academy - RA250. Highlighting the work of female Royal Academicians, this exhibition also marked the year's programme highlighting women's contribution to art and



culture across Lakeland Arts' sites. The exhibition included works by Angelica Kauffman, Helen Frankenthaler, Sheila Fell and Paula Rego.

'Elisabeth Frink: Fragility and Power' was Abbot Hall's major Summer exhibition. This exhibition was the first solo exhibition of Frink's work in the North of England. Part of Lakeland Art's ongoing partnership with The Ingram Collection, the exhibition was also supported by Osbourne Samuel Gallery in London through their facilitation of loans from private collections, as well as their own. The exhibition explored Frink's sculpture and works on paper through her own words. The exhibition also featured works by those that taught and inspired Frink, as well as her contemporaries such as Kenneth Armitage, Reg Butler, Barbara Hepworth and FE McWilliam. Two large-scale figures, Riace III and Walking Madonna were also displayed in the Entrance Hall and Dining Room.

Jo Baring, Director of The Ingram Collection, gave a talk about Frink's work and influences on 13 September 2018, and free self-led activities for families making LEGO sculptures and creating living sculptures in the Art Studio alongside the exhibition throughout the summer.

Sarah Saunders, Head of Learning and National Partnerships officially opened Rodin: Rethinking the Fragment on Thursday 9 August 2018. This exhibition was the start of a new partnership with the British Museum as part of their National Programme. The display included Rodin's The Thinker on loan from The Burrell Collection, Glasgow, alongside three works from the British Museum's collection including: a classical torso from a marble statuette of Venus (c.first century AD), Royal Academy medal (c.1901), showing the Athenian Acropolis alongside the Belvedere Torso and Eugène Carrière's portrait of Auguste Rodin. There was the

opportunity for audience participation with 'What's the Thinker Thinking' activity in the gallery.

The curator of this summer's major Rodin exhibition at the British Museum, Barbara Vujanovic and Pippa Stephenson, Curator of European Art, Glasgow Museums gave a lecture on 27 September 2018.

Michael Clarke, CBE officially opened Alison Watt's exhibition *A Shadow on the Blind* on Thursday 11 October 2018. The exhibition included new work representing a significant shift in Watt's practice, alongside a selection of key earlier pieces. Watt's was awarded the OBE in 2008 and her work is held in many prestigious collections including the National Galleries of Scotland and National Portrait Gallery.

'Grayson Perry: Julie Cope's Grand Tour' came to Abbot Hall as part of a touring exhibition by the Crafts Council, marking the start of a partnership. Julie Cope is a fictional character created by artist Grayson Perry - an Essex everywoman whose story he has told through the two tapestries and extended ballad presented in this Crafts Council touring exhibition. The *Essex House Tapestries: The Life of Julie Cope* (2015) illustrate the key events in the heroine's journey from her birth during the Canvey Island floods of 1953 to her untimely death in a tragic accident on a Colchester street. Rich in cultural and architectural details, the tapestries contain a social history of Essex and modern Britain that everyone can relate to. The tapestries are shown alongside a graphic installation, and specially commissioned audio recording of *The Ballad of Julie Cope*, a 3000-word narrative written and read by Perry himself that illuminates Julie's hopes and fears as she journeys through life. Dr Stephen Deuchar, Director of the Art Fund opened the show on Thursday 8

November.

The spring exhibition at Abbot Hall drew on Lakeland Arts collection to explore the stories and artworks created émigré artists who came to Britain as a result of Nazi occupation in Europe. Drawing inspiration from the life and work of Kurt Schwitters, as represented in the Lakeland Arts collection, the exhibition was part of the *Insiders Outsiders Festival* celebrating the contribution of refugees from Nazi Europe to British culture. Works by Lucie Rie, Hans Coper, Lucian Freud and Frank Auerbach were shown alongside loans of works by Marie-Louise Von Motesiczky, Josef Herman and Martin Bloch. Works were borrowed from the National Galleries of Scotland, Ben Uri Gallery, Martin Bloch Trust, and a number of other museums, galleries and private lenders.

The National Portrait Gallery's portrait of Anne, Countess of Pembroke, Lady Anne Clifford (c.1618) by William Larkin displayed alongside a work by Larkin on long-term loan to Lakeland Arts as part of the 'Coming Home' project led by the NPG.

The exhibition showcased the finest portrait of herself that Lady Clifford commissioned, allowing for a deeper exploration of her life and relationship with art. This is a new partnership for Lakeland Arts which has allowed for greater research to be undertaken by the Curatorial team into Lady Clifford, developing a deeper understanding of 'The Great Picture' in Lakeland Arts collection.



## Displays:

- Percy Kelly  
22 September to 17 March 2018
- Hilde Goldschmidt and Kurt Schwitters  
22 September 2017 to 11 January 2019
- Katie Spragg  
12 January to 28 April 2018
- New Acquisitions: Lucian Freud  
8 February - 26 May 2018
- Twentieth Century Lithographs  
20 March to 22 September 2018
- George Romney Re-Display  
& Romney Sketch Books  
26 May 2018 onwards
- John Harden (1772 - 1847)  
26 September 2018 - February 2019
- Collingwood and the Glory of Mountains  
27 February - 6 July 2019

The work of Cumbrian artist Percy Kelly (1918-1993) and the artistic partnership of Hilde Goldschmidt and Kurt Schwitters were explored in collection displays at the end of 2017 and beginning of 2018. Born in Workington, Kelly is best known for his portrayal of harbours, towns and villages of Cumbria. The display featured prints, works on paper and letters from Lakeland Arts collection and coincided with 'Percy Kelly, Line of Beauty: A Retrospective' at Tullie House Museum & Art Gallery in Carlisle.

At the same time we opened a display focusing on the work of two German artists who came to the Lake District during the Second World War. Hilde Goldschmidt was a successful Expressionist artist and Kurt Schwitters is today recognised as one of the most influential artists of the twentieth century. Goldschmidt and Schwitters met in the Lake District and inspired each other to continue and grow their practice in Cumbria.

To correspond with the programming of an exhibition of works by Katie Spragg at Blackwell, two digital works by Spragg were shown at Abbot Hall. This up-and-coming

artist who works predominantly in ceramic is interactive and aims to evoke a sense of wonder about nature.

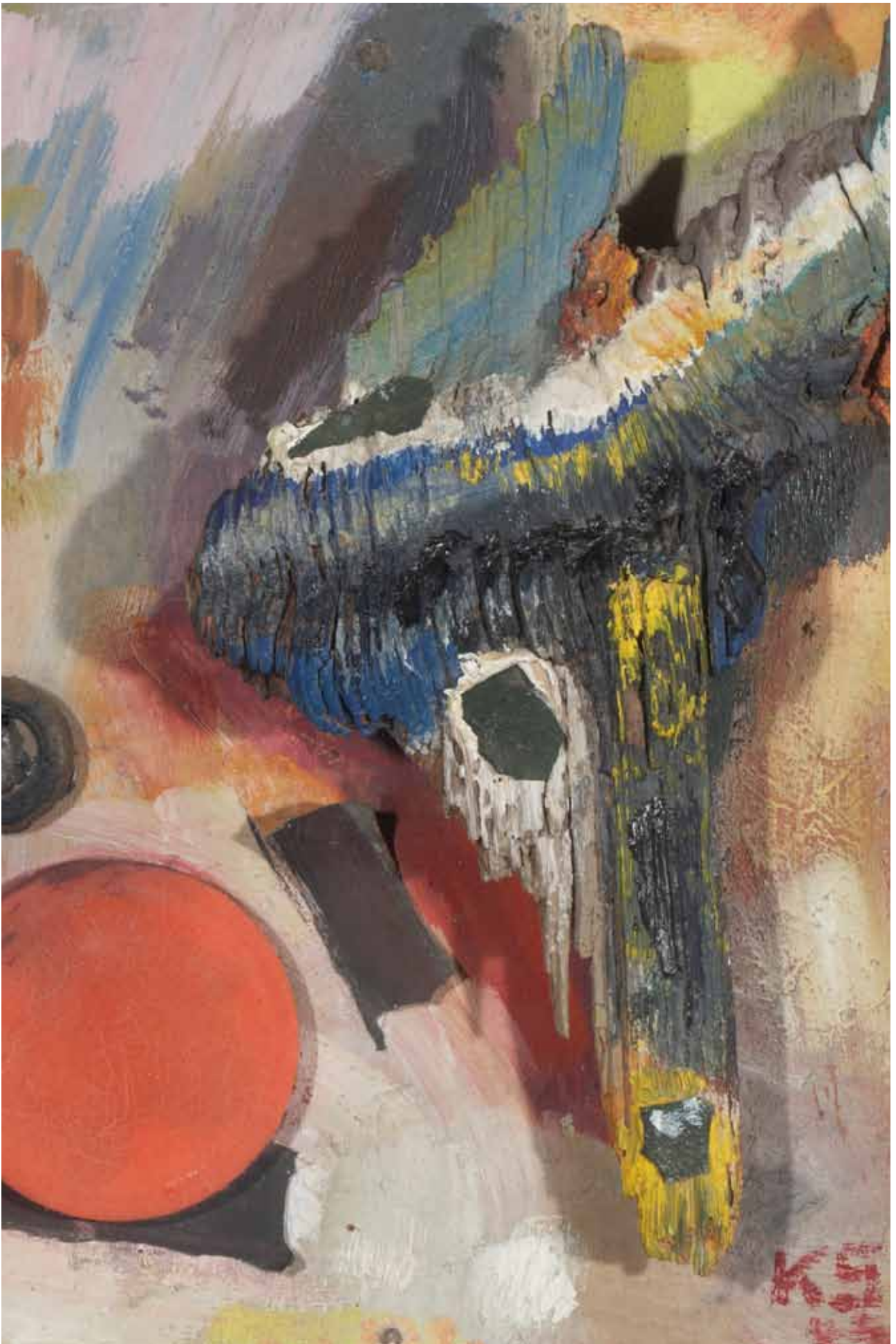
Two early and unique portraits by Lucian Freud of Lady Scott and Hermione Scott were recently acquired through the Government's Acceptance in Lieu scheme. These were shown alongside works by Michael Andrews and Frank Auerbach, received via AIL from the Estate of Lucian Freud in 2016.

The display 'Twentieth Century Lithographs' included prints by Pablo Picasso, Georges Braque, Henry Moore, Barbara Hepworth and Alan Davie from Lakeland Arts collection. Following the Head of Curatorial's month long Curatorial Scholarship at Yale Center for British Art in March 2018, the Dining Room and Saloon have been rehung for the first time in over twenty years. The Dining Room's theme is portraiture, exploring the identity of artist and sitter. George Romney's works are shown alongside that of Modern British and contemporary artists including David Bomberg, Philip Eglin and Keith Vaughan. The Saloon showcases Romney's large-scale portraits and history paintings, including some of his sketchbooks.

To celebrate the Lake District's new status as a UNESCO World Heritage Site, the John Harden display showcased Lake District landscapes. The watercolours capture the cultural landscape of the early nineteenth century and the scenery that has inspired generations of visitors.

The first display of 2019 in the Watercolour Gallery was 'WG Collingwood and the Glory of Mountains'. Drawing on some 500 works by Collingwood in Lakeland Arts' collection, this display was comprised of a small number of works which were selected to showcase Collingwood's ability to capture the changing light, colour and scenery of the mountains, as advocated by his teacher and mentor John Ruskin.





## **Blackwell, The Arts & Crafts House**

- Katie Spragg Ceramics  
26 January to 10 May 2018
- Form Over Function:  
Ceramic Art at Blackwell  
18 May - 9 September 2018
- Time Mirror  
18 May - 9 September 2018
- Grayson Perry: Ceramics  
20 September 2018 - 17 February 2019
- The Simpsons: An Arts & Crafts Family  
21 September 2018 - 6 January 2019
- The Rusland Movement  
18 January to 9 June 2019
- The Liberty Chair  
9 March to 9 June 2019

Blackwell started the year with an exhibition of work by artist Katie Spragg. Spragg showed existing and new work, created in response to Blackwell and the surrounding environment. Many of the works were for sale and a number of pieces were sold through the run of the exhibition. The Learning team delivered family and half-term activities, and the artist worked with students from Kendal College and Lakeland Arts Dementia Group.

Works from Lakeland Arts collection were displayed alongside loans from the Centre of Ceramic Art, York Art Gallery in an exhibition challenging the notion that ceramics are primarily functional. 'Form Over Function: Ceramic Art at Blackwell' showed a broad range of works from a playful hippo sculpture by Rosemary Wren to the earthy sculptural forms of Ewen Henderson. The works shown celebrated clay and its metamorphosis from functional material to a fine art medium.

In correspondence with 'Form Over Function' a specially commissioned artwork by Di Mainstone was displayed on the lawn at Blackwell, celebrating the Lake District's designation as a World Heritage Site as part of Lakes Culture's Lakes Ignite Festival 2018. To complement the Crafts Councils Grayson

Perry exhibition at Abbot Hall, there was a small 'in-focus' display of ceramics by Perry at Blackwell; this was the first time that he has been exhibited at Blackwell. It was a fantastic opportunity to see the pieces in the context of an Arts & Crafts home.

'The Simpsons' exhibition at Blackwell placed the Simpson family in the context of the Arts & Crafts Movement in the Lake District, featuring embroidery, leatherwork and designs. The exhibition also made links to Simpson craftsmanship throughout Blackwell and presented work by Arthur Simpson, Jane Simpson, their daughter Hilda and both their sons.

The 2019 new year started with The Rusland Movement's Arts & Crafts inspired furniture. Working on the edge of the Rusland Valley in Cumbria, The Rusland Movement create works in response to the natural environment and are inspired by the Arts & Crafts Movement and Blackwell. The exhibition showed the contemporary works juxtaposed with Blackwell's historic interior. The interpretation was created to reflect the voice of the makers and talks, and demonstrations were given throughout the run of the exhibition.

The Liberty Chair conservation project at Blackwell ran concurrently to The Rusland Movement exhibition. The chair was generously donated to Blackwell in 2017 and is a unique example of an Arts & Crafts chair produced by Liberty & Co. with original wood inlay and upholstery. The chair needed major conservation and was done as a part of a project with conservator Kate Gill. The chair underwent partial conservation in her studio, before being displayed in an exhibition at Blackwell showing the conservation process, using film and photos. Gill then delivered a week-long project of conservation in-situ at Blackwell with twice daily talk to demonstrate conservation techniques to members of the public. Following the exhibition, the chair has been displayed in the Main Hall of Blackwell.





## Museum of Lakeland Life & Industry

- Folk Art: Why We Make Things Beautiful  
11 November to 14 April 2018
- Votes for Women:  
Suffrage and Women's Lives  
12 January 2018 to 31 December 2018
- Wordsworth to the Web:  
200 Years of the Westmorland Gazette  
28 April to December 2018
- Laura Carlin  
19 January -16 May 2019

Drawn from Lakeland Arts' collection, 'Folk Art' focused on the long history of Lake District communities making art, creating beautiful items and learning new skills. This display explored why people devote time and effort to making beautiful objects, and the unique and fascinating stories of their lives. On show were objects made by miners, prisoners of war, and many other anonymous people and the exhibition also celebrated the sports, talents and achievements of Cumbrian people.

To coincide with the centenary of the Representation of the People Act 1918, 'Votes for Women: Suffrage and Women's Lives' celebrated women's lives in Cumbria and the history behind their right to vote. This year-long intervention around the Museum of Lakeland Life and Industry featured a trail of objects from the collection that highlights

women's experience and their fascinating stories. Visitors were asked to participate by voting on related topics in a polling booth. This exhibition was part of a regionwide collaborative programme 'Celebrating Women of Cumbria', which took place throughout 2018.

Local newspaper The Westmorland Gazette has been the definitive voice of the Lake District, serving the community for 200 years. 'Wordsworth to the Web: 200 Years of the Westmorland Gazette' puts the 'Wezzy Gezzy' into context within the history of printing in Britain, looking at the scoops, exclusives, headlines and deadlines of this Cumbrian institution. It has recorded life in the Lakes with stories of its people and places since the 23 May 1818. It also considered the influence of William Wordsworth and Alfred Wainwright had on shaping the paper.

From her workshop in the shadow of the Cumbrian fells, Lorna Singleton keeps alive an ancient Lake District tradition. One of the UK's last remaining 'swillers', Singleton uses long-established methods to create beautiful hand-woven baskets for the modern day. 'Lorna Singleton: Modern Basketry' shone the spotlight on the history of swilling while displaying Singleton's work as an example of someone keeping this traditional craft alive.





The display brought together some of Singleton's best pieces along with historic tools from Lakeland Arts collection, and a chance for visitors to try weaving themselves.

### **Windermere Jetty**

- (Re)Make  
23 March - September 2019

This specially commissioned artwork by dance artist Sara Wookey in collaboration with filmmaker Camilla Robinson, explores the empty shell of Windermere Jetty during construction in 2018. (Re)Make explores themes of making, un-making and re-making in the creative process and within a unique spatial setting. This film aims to expand our expectations of what architecture, dance, film and the museum look and feel like.



# 1 Jan 2018 - 31 March 2019

## Collections and displays

### Acquisitions

#### Fine Art

- Alfred Wallis, Harbour with China Clay Tips
- 3 works on paper by George Shaw, Wounded Tree I, II, III

#### Windermere Jetty

- 1930s Folbot Canoe
- Fire extinguisher from Miss Windemere boat 1960s Day Cruiser
- 26 items associated with Jo Huddleston Models of the boats, Bat & Canfly

#### Social History

- Copper hot water bottle made by Longmire of Kendal WW2 Documents
- Blackwell School Scrapbook Booklet on Mosedale Hall Fur Farm

### Collection loans Out

We lent works from the Lakeland Arts Trust permanent collection to a number of exhibitions from 1st January 2018 -31st March 2019.

Petworth, National Trust, William Black in Sussex Exhibition 13 January - 25 March 2018 William Blake, The spirit of God moved on the Face of the Waters

The Beacon, Whitehaven, Holding Their Own Exhibition, 13 January - 18 February 14 items associated with medicine

Ruskin Museum, Annie Garnett Exhibition 24 February - 3 June 2018 76 objects associated with Annie Garnett

Doge's Palace Venice, John Ruskin. Le pietre di Venezia Exhibition, 10 March - 10 June 2018 John Ruskin, Belinzona  
John Ruskin, Lake John Ruskin, Venice John Ruskin, Dawn  
John Robert Cozens, The Falls of Lodore

Great North Museum, The Great Exhibition of the North, 22 June 2018 -9 September 2018  
Arthur Ransome objects: Dobby Stone, Compass and Pocket Telescope

Wordsworth Trust, Exhibition, 29th August 2018 - 31st January 2019 William Greens Diary

York Art Gallery, Ruskin, Turner and the Storm Cloud Exhibition, 20th March 2019- 4th July 2019 20 works by Ruskin and 1 work by Turner

National Galleries of Scotland borrowed J.W.M Turner, The Passage of St. Gothard for a year-long tour of Japan in reciprocation for Monet's Haystacks: Snow Effect, 2nd October 2017-24th September 2018

Turner Contemporary, Margate borrowed Paula Rego, Triptych, for 'Journeys with The Waste Land', 3 February to 7 May 2018.

Hatton Gallery, University of Newcastle borrowed Kurt Schwitters, Flight and YMCA Ambleside, Thank You, for 'Kurt Schwitters: Collage & Assemblage', 7 October 2017 to 12 May 2018

Tullie House, Carlisle borrowed Percy Kelly, Illustrated letter 1.1.1980 to Peter Scott, for 'Percy Kelly: Line of Beauty. A Retrospective', 23 September 2017 to 28 January 2018. Extended to 17 February 2018 due to popular demand.

Turner Contemporary, Margate borrowed Jean Arp, Poupee Basset, for 'Arp: The Poetry of Forms', 12 October 2017 to 14 January 2018.

## Collections care and documentation

From December 2017, ongoing until December 2019 we have undertaken a complete collection Audit, focusing on object documentation reconciliations. Throughout this audit we have improved both digital and hard-copy documentation, fulfilling Accreditation objectives and improving storage conditions. The Audit will inform collection storage moves and improvements

in the financial years 2019-2020 and 2020-2021, allowing us to maintain and improve object records and conditions throughout the Abbot Hall closure period (2020-2022).

The fine art collection, removed from site following the December 2015 floods, returned to us in February 2018. An ongoing project to unwrap, fully document and condition check each work is ongoing.

Condition reports have been undertaken for all artworks on display at Abbot Hall and Blackwell, and visual checks and photographic records have been made of all works on display at the Museum of Lakeland Life and Industry and Windermere Jetty.





# Participation & Learning

## 1 January 2018 - May 2019

From March 2019, the Participation & Learning team will innovate the way they design, develop and then deliver their programme. New methodologies of co-production with their key audiences, based on baseline data and audience development plans, will ensure all programming is making best use of resources to have a positive and purposeful impact on those recipients most indeed of creative engagement and access to health and wellbeing programmes. In March 2019 a new Monitoring and Evaluation Framework was established for the Participation & Learning Programme. Using evidence from 2018 - 2019, and objectives set out in CMC business plan and other fundraising and development activity, there is now a

substantial framework by which to monitor projects, effectively evaluate impact on participants and to develop new projects for identified audiences.

## Community Participation

Contemporary ceramicist, Katie Spragg, worked with members of our In the Moment dementia group on a creative engagement programme. The group have worked with Spragg to create tiny ceramics and stop motion animated films that were put on display alongside Spragg's exhibition during the Easter holidays.

As part of our ongoing partnership with Equal Arts, Lakeland Arts is leading on a Kurt Schwitters project. The In the Moment group is creating their own version of a Merz Wall which will be installed at the Barn, Ambleside in August. We are also collaborating with our CMC partners at Wordsworth Trust.





The In the Moment dementia group responded creatively to Monet with the creation of a large scale 3d waterlilies artwork which is on display at Space2Create at the Factory in Kendal.

Community Engagement Officer led on Abbot Hall presence at Kendal's first Unity Festival. We set up a Georgian photo booth inspired by Lakeland Art's historic portraits. Over 200 festival-goers had their picture taken by a photographer dressed as George Romney. In July, their portraits will be displayed in the entrance at Abbot Hall to reflect the faces of Kendal today to complement the Romney / portraiture redisplay in the Dining Room and Saloon.

The project with Manna House users and the Community Engagement Office came to a close at the end of February 2019.

Artist Donna Campbell spent over 50 hours with users at the Manna House to create a wonderful tapestry to hang in the centre. The tapestry was inspired by the work of Grayson Perry and a visit to see The Ballad of Julie Cope. The detail in the tapestry and the appeal of Grayson Perry made for some wonderful conversations. Some participants benefitted from the regularity of activity at the Manna House site.

56 guides from three Girl Guide and Ranger units based in Kendal took part in a series of workshops at the Museum of Lakeland Life and Industry to create a banner inspired by objects and stories at the Museum. The guides will bring this banner, created with the help of artist Karen MacDougall, to a parade outside Tullie House Art Gallery on 3 March. Then the banner will be displayed at the museum as part of 'Votes for Women: Suffrage and Women's Lives' exhibition.

## **Children & Young People**

Following the success of the Light up Blackwell project with Kirkbie Kendal School in 2017, we developed a creative engagement programme with Kendal College students. Katie Spragg (ceramicist and digital artists exhibiting at Abbot Hall and Blackwell) working with Kendal College students to learn new techniques in clay and animation. Their work is on display alongside Katie's work at Blackwell.

Programming team attended Kendal College's year end art show to select three winners to exhibit at three of our venues.

1. Romney Art Prize winner - Emily Topping has used photography, models and fashion to explore gender fluidity. Her portraits will go on display in the Dining Room at Abbot Hall alongside the new portraiture display.
2. Blackwell Craft Prize winner - Elisha Cock made a sari textile inspired by her Indian heritage and flora and fauna of Cumbria. Her work will go on display in the dressing room off the master bedroom.
3. Lakeland Life Art Prize winner - Lucy Maj has made an interactive ceramic work about Millennials and who were unable to vote in the referendum but will live with the consequences of Brexit. Her work will go on display at MOLLI and be filmed on time-lapse as it is a temporary work.

119 Arts Award Explore have been successfully moderated, this was from a combination of children involved in the Folk Song project for Windermere Jetty and the Art Camp at Abbot Hall & Blackwell in the summer of 2018.

## **Under 5s & Families**

Working with artist Hannah Fox and carpenter Duncan Copley we have installed From Forest to Fleet in the Learning Centre at Windermere Jetty, Museum of Boats, Steam

and Stories. This immersive space will enable the learning team members the opportunity to deliver quality activities in the first operational month, and also invite local nursery groups down to explore the museum. The research from activity held in this space will inform the ongoing informal learning activity we do with under 5s and families in the area.

We held a week long Patterns in Nature workshop at Blackwell in February half term which was extremely successful given the small amount of time that we had it marketed for. This will continue during Easter holidays and will be complimented by another 'maker' workshop at the Museum of Lakeland Life and Industry. Lorna Singleton will be doing six basket weaving workshops for families.

### **Teacher & Creative Practitioner Development**

Learning & Engagement Officer: Schools and Families has had all new schools sessions for Windermere Jetty assessed by the CMC Education Development Manager. These have been assessed using the Arts Council England Quality Principles and all came back with a glowing report. All sessions have been listed on the Windermere Jetty website.

The Participation & Learning team are planning the Launch of the Learning programme for April 2019. This is an opportunity for senior leaders in schools and educational organisations to come to Windermere Jetty for an evening specifically dedicated to promoting the fabulous opportunities for pupils onsite.



# Developments

## **Windermere Jetty -**

### **Museum Of Boats, Steam And Stories**

Lakeland Arts opened Windermere Jetty Museum of Boats, Steam and Stories on 23 March 2019 following a £20million development working with award-winning architects Carmody Groarke. The museum tells the story of 200 years of boats, boating and boat building in the Lake District through our internationally significant collection of 40 vessels - the only collection of its kind in the world. For the first time over half of the collection, which ranges from Victorian steam launches to record-breaking speedboats from the 1980s, is on display. Vessels in the collection include SL Dolly, thought to be the oldest mechanically powered boat in the world, Beatrix Potter's tarn boat which she used to sketch in, and the 50-foot luxuriously-designed Victorian steam launch Branksome (1896). New jetties at the museum allow visitors to sail on Osprey (1902), a fully-restored Edwardian steam launch and enable the regular lake cruise boats to dock and bring visitors to the museum. The museum features the Wolfson Foundation Learning Centre, home to our participation and learning activities designed with and for families, schools and community groups. Visitors experience a unique open access Conservation Workshop where they can see the team of skilled conservation boat builders conserve and restore vessels that would otherwise be lost to history. The team use traditional boat building, engineering and boat finishing skills and provide skills and opportunities through apprentice and volunteer programmes that are training the next generation. The museum showcases the quality of their work as visitors can see live conservation and the finished boats on display and on the lake. Windermere Jetty is one of the first contemporary buildings to be

constructed on the shores of Windermere in over 50 years.

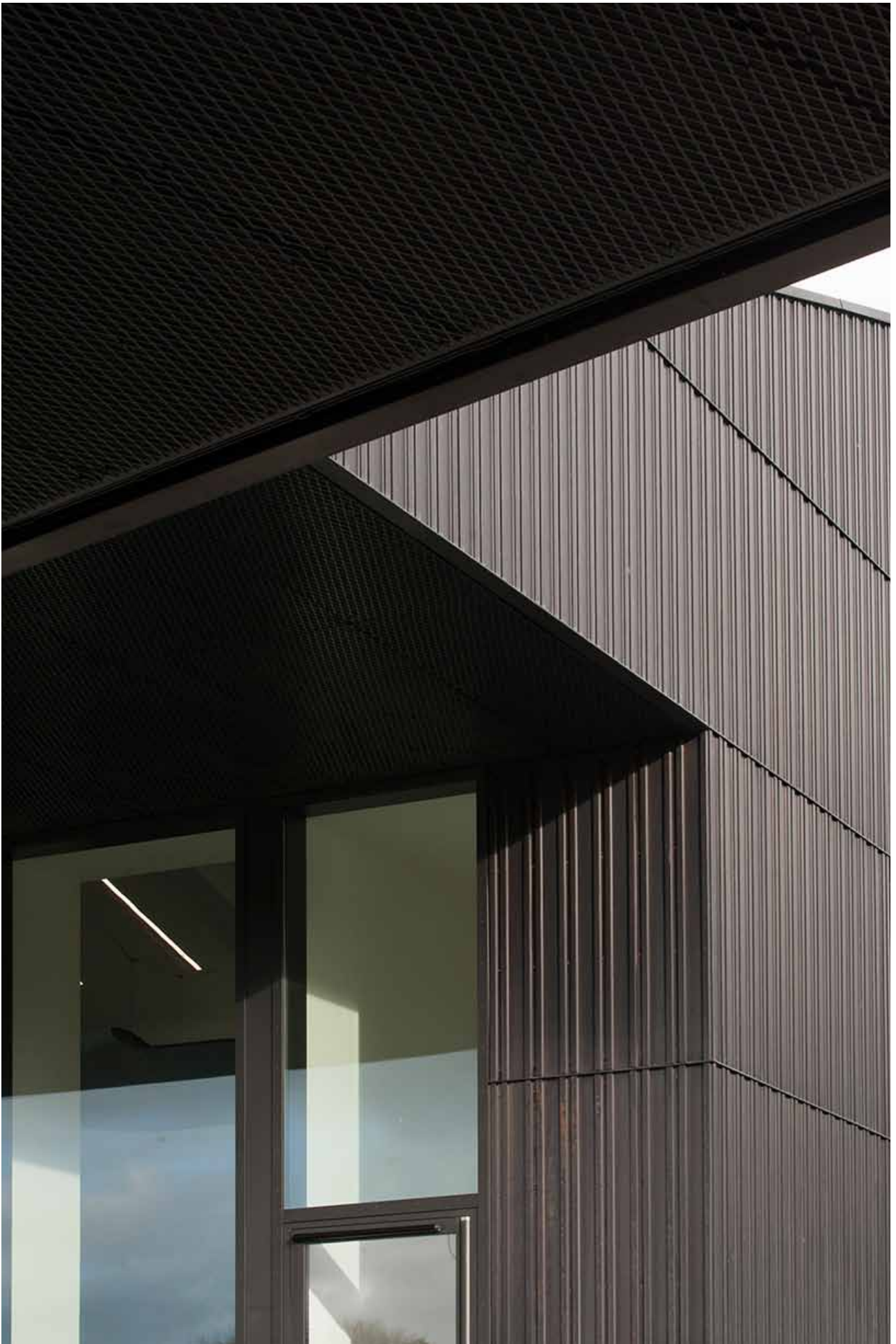
## **Conservation of the Collection**

Lakeland Arts took over responsibility of the Windermere Steamboat Museum and its collection in 2007.

The collection had largely been amassed by private collector George Pattinson and was first accessible to the public when Pattinson opened the Windermere Steamboat Museum in 1977. The collection was enhanced by the transference of a number of boats from the Windermere Nautical Trust, making one of the most complete collections of nautical heritage in the UK, and one that is intrinsically linked to its location on the shore of the largest natural lake in England.

The Windermere Jetty conservation programme began in 2007 when the collection was handed over to Lakeland Arts. Early conservation consisted of necessary intervention works to stabilize the boats until further funding was secured to fully restore the collection. Restoration began in earnest in 2012, when funding was secured from Heritage Lottery Fund to support a small team and the temporary facilities required necessary to bring the boats back to display condition. Our team includes decades of relevant experience in boat building.

The collection demonstrates the continuous development of boatbuilding in the Lake District over 200 years from 1780. The collection itself dates from pre-1320 all the way through to the late twentieth century and is a highly significant part of the UK's dispersed national boat collection, recognised by the UK Government as "the most important and coherent collection of watercraft generic to one location in existence worldwide". As a collection, the boats tell a complete story of man's use of





Windermere, for work, pleasure, innovation and sport from early medieval log-boats, to the record breaking speed boats of the 1960s and 70s. Their location on the lake where they were used and, in most cases, built, has forged a strong historic and emotive link with local communities.

A report written by William Rose, a vintage boat expert in 2005 concluded that there are 'no important Windermere boats in any other public collections, except those collected by this museum' (the Windermere Steamboat Museum) and that the collection is 'culturally and educationally unique'.

Windermere Jetty is an active space for conservation, with an ongoing restoration programme at the centre of the Museum's offer. The Sir John Fisher Foundation Conservation Workshop is home to our programme of restoration, conservation and fit-out with specialist equipment to ensure the highest quality delivery for the complex work on the collection. Maintenance of the vessels is built into the ongoing conservation activities in the workshop, with a maintenance policy detailed in our Conservation Management Plan and Business Plan, which extends until 2024.

We aim for the specialist Conservation Workshop to become a Centre for Excellence in boat building and restoration. It is equipped with specialist equipment and a full-time team of expert conservators. It is accessible to the public at all times during museum opening hours, and twice daily visitors can hear our boat conservation team's Conservation Conversation, where they describe the work they are doing, and show visitors up close the equipment and techniques used throughout the conservation process.

Since 2012, we have completed restoration of over 10 boats, which have employed a

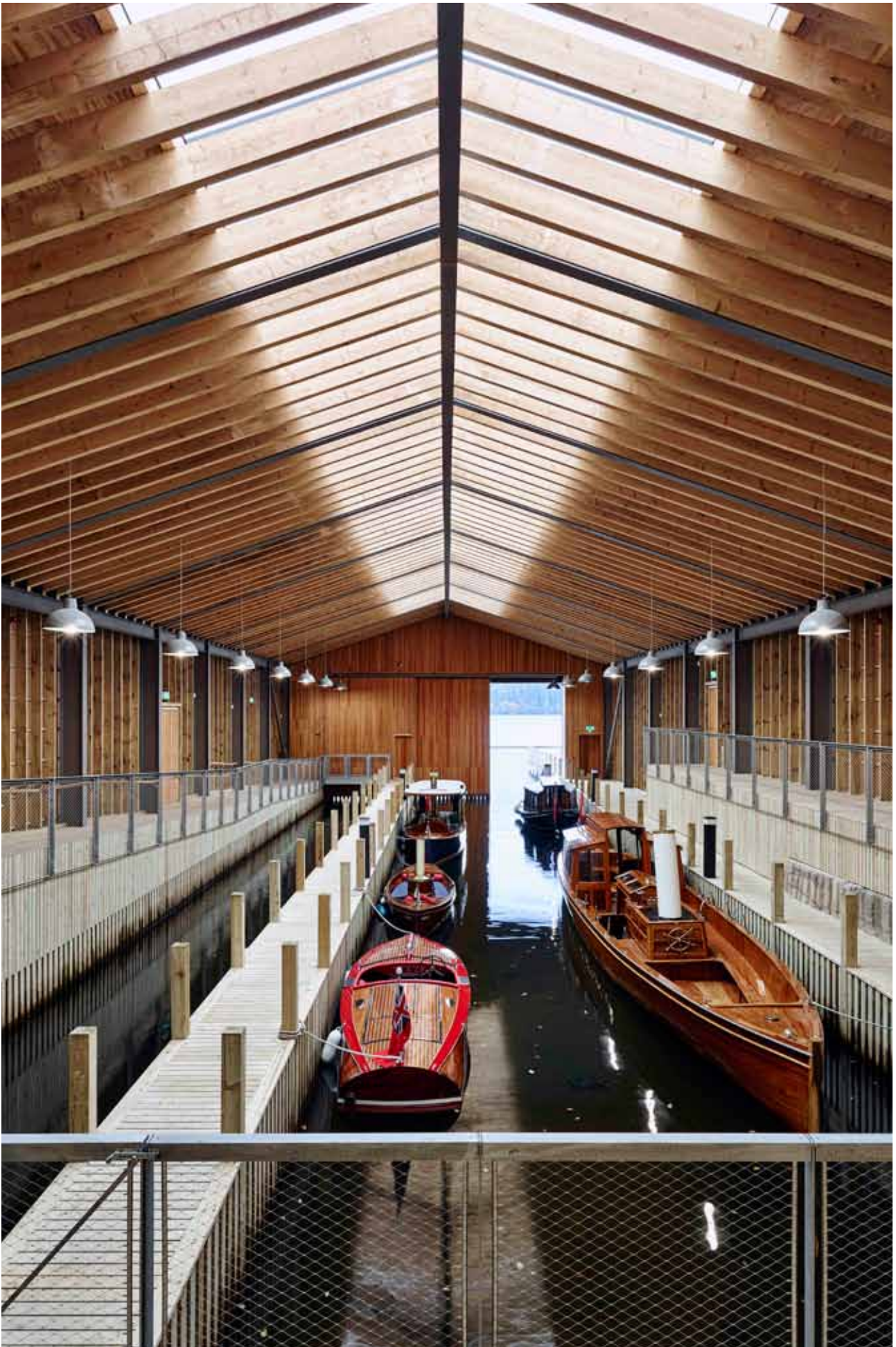
blend of the highest quality craftsmanship, and cutting edge engineering conservation techniques. We have worked in close consultation with leading professional bodies such as National Historic Ships and have used their Conserving Historic Vessels procedures to ensure best practice.

We have successfully returned two of our vessels back to full working order, including SL Osprey and MV Jane and we are part way through the conservation of Lady Elizabeth and Penelope for operational use. We have also returned a gifted and accessioned 1970's motor boat Silvi to the water following a full conservation assessment and conservation clean. Silvi is now displayed in Windermere Jetty's Boathouse.

Other boatbuilding conservation since opening includes the painting of Raven and Esperence (both displayed externally) , a small sailing boat restored and displayed for clambering and exploration by the Boating Pond, and preparing Otto's tender for display in the museum foyer, and running a skiff restoration project between crew, volunteers and visitors in the boatyard.

We have also returned a gifted and accessioned 1970's motor boat Silvi to the water following a full conservation assessment and conservation clean. Silvi is now displayed in Windermere Jetty's Boathouse.

Other boatbuilding conservation since opening includes the painting of Raven and Esperence (both displayed externally) , a small sailing boat restored and displayed for clambering and exploration by the Boating Pond, and preparing Otto's tender for display in the museum foyer, and running a skiff restoration project between crew, volunteers and visitors in the boatyard.





As plans currently stand, the future order of boat conservation includes SL Bat in spring 2020 as well as SL Otto. Following these are SL Water Viper or Kittywake and SL Esperance.

By 2024, we will have stabilised and conserved 32 vessels, and a significant portion of the related material in the collection that will be displayed in the exhibition spaces to enhance understanding and appreciation of the collection and its social and industrial history.

### **Involving communities in the museum**

We used the extended construction period to work with communities to “test and connect.” Through a range of projects and programmes we tested out ideas and built relationships that have informed our participation and learning programme at the new Museum, some highlights are listed below.

#### **Just Visiting**

Central to the Just Visiting programme was the idea that communities in and around Bowness-on-Windermere, Windermere, Ambleside and other places directly connected to the lake, weren’t ‘just visiting’, they lived there. By placing these people at the heart of our work, we aimed to open up the possibility of creatively connecting to the past and helping to create a future in which they saw themselves.

At the Lake District National Park Visitor Centre, Brockhole, we installed a temporary exhibition. Using collections intended to go in the new museum, staff and volunteers created a programme of engagement. We developed a Little Skippers programme that used the lake and its many animal inhabitants as the entry point into the collective heritage. This has helped develop the Early Years and Foundation programme at Windermere Jetty, Museum of Boats, Steam and Stories.

Keeping people regularly updated on the project was key to connecting people to the emerging programme.

Artist Celia Burbush worked with young people from a local youth centre to create an art installation based on the geography of the lake and surrounding hills as defined by the ice age.

### **Esperance Project**

Esperance is an iconic boat that provided inspiration for children’s author Arthur Ransome. Now part of the Windermere Jetty collection, it was built in Glasgow for the wealthy industrialist Henry Schneider (1817-1887) who lived at Belsfield in Bowness. Schneider used the vessel to sail to Lakeside and then board his private train to the office in nearby Barrow in Furness. Using Schneider’s steam launch as inspiration for our Esperance Project we developed new ways of thinking and working to develop the formal learning programme.

In 2016 we launched ten creative projects under this umbrella term. Ten school groups of varying ages worked with ten different organisations. These ranged from a digital arts organisation to a landscape architect and individual artists to a retail expert.

Each project gave the pupils and students a living brief that would shape the ideas for the new museum. For example, the work created with one of the artists now hangs in the museum and the ideas created for the shop are in production. Alongside these creative projects the formal learning programme for schools took shape. The evaluation from the Esperance Project helped us to work out the best ways that we could engage with local schools and teachers once the site was open. Ahead of opening, and for the opening day, we worked with three schools and two musicians on a Folk Song

project. Across the three schools, four groups took part in creating a specially written verse centred on one of the main boats and stories in the new museum. The final folk song was performed for His Royal Highness Prince Charles and other invited guests at the official opening of the museum in April 2019.

### **Commercial Activities**

The commercial operation of Lakeland Arts is run by Lakeland Arts Enterprises Ltd, Lakeland Arts' wholly owned trading subsidiary which undertakes all the non-primary charitable objects of the charity (retail and catering) and donates the net income to the charity on an annual basis.

### **Retail**

For the first half of 2018 the retail function across all sites was led by the Blackwell General Manager, with sales and

merchandising support from colleagues at Blackwell, Abbot Hall and the Museum of Lakeland Life & Industry. The focus during the year was to review the retail strategy, reduce stock levels, improve national suppliers and range of craft makers and invest in new exhibition related and craft made products that are unique to our sites. From August to December 2018 our team worked with an external consultant to both generate a new range of stock in preparation for the opening of Windermere Jetty as well review our existing commercial approach to retail at our other venues.

Several new makers were added to the Blackwell Craft Shop, which retains a strong reputation for sourcing high-quality craft items, often from local makers. Business in the shop reflected the downturn in visitor numbers to the house in Summer 2018.





Nevertheless, the craft shop remains very profitable and popular with visitors searching for unique gifts. This is particularly the case during the run-up to Christmas with November's craft fair being Blackwell's busiest weekend of the year.

Abbot Hall has a compact shop which focusses primarily of books, cards and gifts which often link directly to the current exhibitions. The shop also sells prints, and a small range of works by local artists. Footfall to the shop is invariably driven by the popularity of each exhibition; hence business fluctuated during the year.

The shop at the Museum of Lakeland Life and Industry is larger and stocks a wider variety of books, gifts and crafts. We continue to work with a number of local makers offering a lower price-point than our more specialised craft shop at Blackwell. Prints from the Joseph Hardman collection continue to be popular via our online shop.

### **Catering**

The Blackwell Tea Room continues to be popular for visitors, during the year Blackwell catered for an increased number of pre-booked groups and offered specialist events including Mothers' Day lunches and Christmas meals.

At Abbot Hall, the Bakestone café completed its first full year of operation, having been rebuilt after the 2015 floods.

### **Marketing and Communication**

In May 2018, a new Head of Marketing was appointed, and in March 2019, a new Marketing & Digital Co-ordinator bringing additional, digitally focussed skills set to the team.

Over the year we received wide-ranging pieces of media coverage - 11 prominent

mentions in national broadsheet media for our exhibitions including images, as well as local, regional and national broadcast coverage including pieces on BBC Radio 3 and Radio 4, BBC television and ITV. Lakeland Arts continued to work with an external PR and Media consultant to cover all aspects of Lakeland Arts PR. A separate PR agency was brought in to deliver the launch of Windermere Jetty. Their work with us resulted in huge media coverage across all press, online and broadcast channels both nationally and internationally.

We saw a consistent increase in social media following on all platforms but particularly on Instagram. The launch of Windermere Jetty in March 2019 led to a dramatic surge in Facebook media reach (over 7000% increase from March 2018 to 2019) and following (90% increase on Facebook and 345% increase on Instagram) on the Windermere Jetty platforms. New websites were launched for Windermere Jetty and Blackwell, more modern in design and essentially, mobile responsive.

Nationally and internationally we continued working with Cumbria Tourism, Lakes Culture, the Lake District China and Japan Forums, the UNESCO World Heritage Site Marketing Group and Marketing Manchester through Cumbria Tourism to extend the reach of our promotion.

### **Fundraising**

Lakeland Arts has successfully raised income from voluntary sources for over 50 years and fundraising continues to be an important part of our activity. During 2018-19 Lakeland Arts raised £4,517,726 of voluntary income from donations, grants and sponsorships. This represented over 81% of our overall income in 2018-19. Valuable support came from a range of sources, including individual donors, trusts and foundations, public funders and



corporate organisations.

As a member of the Cumbria Museum Consortium, an Arts Council England National Portfolio Organisation, Lakeland Arts received unrestricted core funding, working in partnership with the Wordsworth Trust and Tullie House Museum and Gallery Trust. Funding to support our core activities was received from The Sir John Fisher Foundation, who are regular and valuable supporters of our activities, South Lakeland District Council, which awarded Lakeland Arts the third instalment of a three year funding agreement supporting our core activities across the organisation and Kendal Town Council. Lakeland Arts continues to receive important support from our Friends, Patrons and Benefactors, raising a total of £28,305 in 2018-19 from these membership and donor schemes.

Lakeland Arts received corporate support from Sanlam as sponsor of the Monet exhibition and Rathbones as sponsor of the Grayson Perry exhibition at Abbot Hall.

In June 2017, we secured development funding from the Arts Council England capital programme for the Abbot Hall capital development project to improve the visitor

experience and make the Gallery and Museum more sustainable and resilient.

We received restricted funds to support the Abbot Hall redevelopment from private donations, South Lakeland District Council, Arts Council England totalling £357,253. Lakeland Arts was grateful to receive a significant legacy in 2018 from the estate of the late Eleanor Shakerley.

### **Capital Projects**

Fundraising activity for the Windermere Jetty project continued in 2018-19, making up a significant proportion of restricted funds received in 2018-19, with a total of £3,291,514 received from individual donors, public sector sources and trusts and foundations. This included significant grants from the Northern Cultural Regeneration Fund and the Regional Growth Fund, additional major grants from The Sir John Fisher Foundation, The Headley Trust and the Association for Industrial Archaeology, as well as a significant number of donations from private individuals.

Lakeland Arts is preparing for a £9.6 million capital project to transform Abbot Hall and make the historic site fit for the 21st century. We will make vital but sympathetic changes

to the historic buildings and significantly remodel the site, creating improved access facilities to fully meet the expectations and respond to the needs of audiences, helping to secure the future sustainability of both Abbot Hall and Lakeland Arts as a whole. Visitors will experience and interact with world class art in redesigned modern exhibition galleries. The development will enable us to exhibit more and a far broader range of art, collaborate with a more diverse group of artists and galleries, and increase access to more of our own nationally recognised collection. We will be better able to deliver a programme that reflects contemporary society, be more responsive to opportunities, work more effectively in national and regional partnerships and be more ambitious in the commissioning and presentation of contemporary art. In 2019 we received confirmation from Arts Council England of a £4.6m grant to support the project, which, with their development grant, brings their total investment in the project to £5million. Lakeland Arts is fundraising to raise the additional £4.6million needed to make the project happen.

In November 2018 Lakeland Arts was awarded Resilient Heritage grant from the National Lottery Heritage Fund to support a project to embed our position as a cultural leader and protect the heritage we care for. It includes people development, modernising systems, growing membership programmes and developing our profile.

## Benefactors & patrons

### Benefactors

- Mr and Mrs A Ambler
- Mr and Mrs J Campbell
- Mr and Mrs T J R Harding

- Dr and Mrs A C I Naylor
- Mr T P Naylor
- Mr and Mrs J Rink
- Dr J P L Welch

### Patrons

- Mr M Ainscough
- Mr and Mrs C H Bagot
- Mr and Mrs D Case
- Lord and Lady Cavendish
- Mr J E Coward
- Mr C Crewdson OBE and Mrs V Crewdson
- Sir James Cropper KCVO
- Mr and Mrs W Dufton Ms W Ellis
- Mr J Entwistle Mrs B A Fletcher
- Mr and Mrs D Goeritz
- Mr R Hasell-McCosh
- Ms J Holland
- Mr P Kessler MBE and Miss D Rose QC
- Susan Lady Kimber
- Mr and Mrs J Lee
- Mrs D Matthews JP
- Mr J S Nicoll and Ms L Colchester
- Mr T Parker
- Colonel C Sanderson OBE JP
- Mr and Mrs A Scott
- Sir Christopher and Lady Scott
- Mr N Thompson
- Mrs S Thornely DL Mr J Townson
- Dr T Tuohy
- Mr and Mrs G M Wallace
- Mr and Mrs P M White
- Ms J Wood
- Mr C Woodhouse CVO
- Mr JNC Woodhouse
- 

And all those who wish to remain anonymous

# Financial Review

The Consolidated Statement of Financial Activities shows total income of £5,559,044 a decrease of 15% compared with 2017. This included unrestricted funds totalling £1,742,102 (2017 £1,830,011); restricted funds totalling £3,815,942 (2017 £4,674,732) and restricted endowment funds totalling £1,000 (2017 £1,000).

Abbot Hall, the Museum of Lakeland Life and Industry and Blackwell unfortunately had fewer visitors than anticipated during the year.

Income includes voluntary income of £3,291,514 (2017 £4,204,772) for the Windermere Jetty Project. Details of funding and donations for the project as well as a details of all voluntary income are included in the notes to the accounts.

The trading subsidiary Lakeland Arts Enterprises Ltd contributed a loss of £53,864 to the consolidated result, a considerable decrease compared to loss contribution of £18,199 in 2019, which was due to the reduction in the number of visitors at all sites.

Total resources expended were £2,827,504, an increase of £525,837 (23%) compared with 2017. Included is £482,442 of expenditure in relation to the Windermere Jetty Project (2017 £977,433). The market value of investments held fell by £22,081 in the period.

The Net Movement of Funds for the year showed an increase £2,689,853 which is essentially attributable to an increase in the amount of restricted funds held for Windermere Jetty.

## Policy on reserves

The main features of the charitable company's reserves policy are as follows:

- the need for reserves will vary depending on the charitable company's financial position and continuous assessment of the many risks the charitable company faces at a particular time;
- the reserves will be assessed as part of the charitable company's mid-range planning process and the need to build reserves will also be taken into account in the annual planning and budgeting process;
- reserves exist either to provide short term protection against downward fluctuations in annual revenues or capital receipts – or to provide long term strategic financial support and development;
- the reserves policy balances the need to build up long term reserves against the need for short term spending on core activities; and
- the charitable company seeks to ensure that every new acquisition is fully funded through the establishment of a separate endowment or other restricted fund, if necessary, and hence will not need to be supported by the general fund.

## Funds in deficit

At 31st March 2019 the unrestricted funds carried forward balance was a deficit of £1.7m. During the 15 months to 31st March 2019 Lakeland Arts contributed £1.3m of unrestricted funds towards the construction of Windermere Jetty. There was a significant amount of Trade Creditors received in March 2019 which related to Windermere Jetty whereby corresponding funding was received in April and May 2019. The funders were £1.2M from Heritage Lottery Fund and £670K from Northern Cultural Regeneration Fund. These inflows will be reflected in the Financial Statements to 31st March 2020.



The remaining unrestricted deficit was funded through Lakeland Arts receiving a £400k loan at the end of March 2019 and making best use of trade creditors payment terms.

The pension scheme is in deficit as described in the notes to the accounts. The past deficit contributions have been agreed with the pension scheme provider and will be paid over 20 years.

### **Principal funding sources**

The principal funding sources for the Windermere Jetty project are the Heritage Lottery Fund, the Regional Growth Fund, Northern Cultural Regeneration Fund, trusts and donations. The principal sources of funding for the costs of operating the Abbot Hall Art Gallery, Museum of Lakeland Life & Industry and Blackwell the Arts & Crafts House are the Arts Council England, grants, investment income and donations.

### **Investment policy and objectives**

The charitable company 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.

### **Principal risks and uncertainties**

Major risks

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 themselves 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 charitable company is exposed and identified control and mitigation procedures, under the headings of:

- Governance;
- Operational;
- Financial;
- Environmental; and
- Compliance.

The strategic report was approved by the trustees of the charity on 10 December 2019 and signed on its behalf by:



C W N Crewdson OBE  
JP Trustee

# Trustees' Report

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The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 March 2019.

## Trustees

- M J Ainscough BSc DL
- H C F Bowring MA JP DL
- A F Case CBE BA FRSA  
(resigned 24 May 2019)
- C M Clarke CBE FRSE
- A R Collinson
- C W N Crewdson OBE JP
- S A Crewe
- J C Hudson FREng
- S L Keegan
- J Mottram PhD  
(appointed 9 March 2018)
- E M Rink BSc MPhil  
(resigned 24 May 2019)
- B Riley
- N W R Thompson

## Objectives and activities

### Objects and aims

The principal objects of the charitable company are -

1. the advancement of the arts, culture, heritage or science and for the conservation of the environment and heritage of Cumbria and North Lancashire, including by: the establishment and maintenance of public art galleries and museums for the benefit of the public to include the care,

management and display of the permanent collections of the trust established by declaration of trust dated 9th August 1957 and subsequently amended by multiple deeds of variation and now known as 'The Lakeland Arts Trust' and any other collections, groupings, displays or individual items from any other body;

2. such 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; and
3. such other charitable objects as the company shall from time to time determine.

Lakeland Arts has a Strategic Plan 2014-18 to deliver the charity's objectives and the charitable company's five strategic priorities:

- Deliver excellent artistic, heritage, learning and engagement programmes of national and international significance.
- Create rewarding experiences for all our visitors and users.
- Ensure the resilience and sustainability of Lakeland Arts and support Cumbria's economy.
- Invest in our staff and develop Lakeland Arts through inspirational leadership and management.
- Involve all in arts and heritage in new and inspiring ways and contribute to the development of local communities.

### 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.

The charitable company opened Windermere Jetty, Museum of Boats, Steam and Stories, a

new world-class museum and tourist attraction in March 2019.

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.

## Structure, governance and management

### **Nature of governing document**

Lakeland Arts (the charitable company) is a company limited by guarantee and is also a registered charity. The charitable company was set up as part of an exercise to modernise the constitution of a separate charity, Lakeland Arts Trust, which is an



unincorporated trust, constituted under a trust deed dated 19 August 1957 and is a registered charity, number 526980. Lakeland Arts 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.

The charitable company is governed by its Memorandum and Articles of Association and has similar objects to Lakeland Arts Trust. As of 1 August 2013 the charitable company replaced the Trust as the operator of the various venues for use by the public and took over the redevelopment of Windermere Jetty. The funds, assets and liabilities of Lakeland Arts Trust were transferred to the charitable company. Lakeland Arts Trust continues to hold the Blackwell Endowment which is a permanent endowment, and the collections which are loaned to the charitable company.

### **Recruitment and appointment of trustees**

The trustees keep the skill requirements for the trustee body under review. New trustees are appointed only where they have the necessary skills to contribute to the charitable company's work and development. The induction process for any newly appointed Trustee comprises an initial meeting with the trustees, followed by a series of meetings with the Chairman and senior staff on powers and responsibilities of the trustees, the aims and objectives of the charitable company, the forward programme of work, the staffing and organisation of the charitable company.

### **Organisational structure**

The directors of the charitable company are its trustees for the purposes of charity law. The Board of Trustees of up to fifteen members, but not less than six, meets regularly and administers the charitable company. The trustees are elected by the Board of Trustees

at the Annual General Meeting in accordance with the Articles of Association. The trustees who have served during the year and since the year end are shown in the Charity Information page.

At their meetings, the trustees agree the broad strategy, policy and areas of activity for the charitable company, including consideration of financial policy, reserves and risk management policies and performance. Trustees also decide the level of pay for key management personnel taking into account appropriate benchmarks. A disclosure in relation to remuneration and expenses of key management personnel is included in the notes to the accounts. The Board of Trustees appoints Investment Managers, currently Sarasin & Partners LLP, who are responsible for implementing the overall investment policy.

### **Relationships with related parties**

#### **Lakeland Arts Trust**

Lakeland Arts is the sole trustee of Lakeland Arts Trust which holds the collections and the Blackwell endowment. As such Lakeland Arts Trust is treated as a subsidiary in these accounts.

#### **Lakeland Arts Enterprises Limited**

Lakeland Arts Enterprises Limited is the wholly owned trading subsidiary of the charitable company. Together with Lakeland Arts Trust and Lakeland Arts these three entities comprise Lakeland Arts Group.

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

Lakeland Arts Support Trust is a charity formed in 1998 for the purpose of generating income to provide financial support for the charitable company at its Abbot Hall site in Kendal. It has a separate board of trustees and so does not form part of the group.

## South Lakeland District Council

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

# Financial instruments

## Objectives and policies

The group's activities expose it to a number of financial risks primarily due to the large capital project at Windermere which can constrain cashflow. The group does not use derivative financial instruments.

## Credit risk

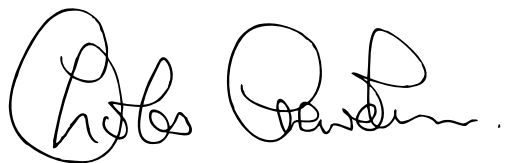
The group's principal financial assets are bank balances and cash, trade and other receivables, and investments. The group's has low credit risk as receivables are primarily grants due to be received. The credit risk on liquid funds is limited because the counterparties are banks with

high credit-ratings assigned by international credit-rating agencies.

## Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 10 December 2019 and signed on its behalf by:



.....  
C W N Crewdson OBE  
JP Trustee



# Statement of Trustees' Responsibilities

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


Company law requires the trustees to prepare financial statements for each financial period. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable

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

Approved by the trustees of the charity on 10 December 2019 and signed on its behalf by:



.....  
C W N Crewdson OBE  
JP Trustee



# Independent Auditor's Report to the Members of Lakeland Arts

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## Opinion

We have audited the financial statements of Lakeland Arts (the 'charitable parent company') and its subsidiaries (the 'group') for the period from 1 January 2018 to 31 March 2019, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2019 and of the group's results for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with

International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material uncertainty related to going concern**  
We draw attention to the Going Concern note in Accounting Policies, which refers to the group's net current liabilities of £1,960,238 and deficit on unrestricted reserves of £1,699,665 as at 31 March 2019.

As explained in the note, these conditions indicate that a material uncertainty exists that may cast doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the



financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other

information, we are required to report that fact. We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and the parent charitable company and its

environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 22), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the



trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements.
- We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Use of this report

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's report

and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....

Helen Holmes BSc FCA  
(Senior Statutory Auditor)  
For and on behalf of Stables Thompson &  
Briscoe, Statutory Auditor  
Chartered Accountants & Statutory Auditor  
Lowther House, Lowther Street Kendal  
LA9 4DX



# Consolidated Statement of Financial Activities for the Period from 1 January 2018 to 31 March 2019

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Income & endowments from:	Note	Unrestricted Funds £	Restricted Funds £	Endowment funds £	Total 31 March 2019 £
Donations and legacies	3	748,274	3,768,452	1,000	4,517,726
Charitable activities	4	440,009	-	-	440,009
Other trading activities	5	512,438	-	-	512,438
Investment income	6	14,421	47,490	-	61,911
Other income	7	26,960	-	-	26,960
Total income		1,742,102	3,815,942	1,000	5,559,044
Expenditure on:					
Raising funds	8	(701,261)	-	-	(701,261)
Charitable activities	9	(2,000,197)	(126,046)	-	(2,126,243)
Total expenditure		(2,701,458)	(126,046)	-	(2,827,504)
Gains/losses on investment assets		(2,758)	-	(19,323)	(22,081)
Net (expenditure)/income		(962,114)	3,689,896	(18,323)	2,709,459
Transfers between funds		(1,342,046)	1,653,851	(311,805)	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes		(19,606)	-	-	(19,606)
Net movement in funds		(2,323,766)	5,343,747	(330,128)	2,689,853
Reconciliation of funds					
Total funds brought forward		165,849	14,406,018	1,855,560	16,427,427
Total funds carried forward	24	(2,157,917)	19,749,765	1,525,432	19,117,280



Income & endowments from:	Note	Unrestricted Funds £	Restricted Funds £	Endowment funds £	Total 31 December 2017 £
Donations and legacies	3	555,589	4,638,302	1,000	5,194,891
Charitable activities	4	419,381	-	-	419,381
Other trading activities	5	411,452	-	-	411,452
Investment income	6	26,198	36,431	-	62,629
Other income	7	417,390	-	-	417,390
Total income		1,830,010	4,674,733	1,000	6,505,743
Expenditure on:					
Raising funds	8	(489,588)	-	-	(489,588)
Charitable activities	9	(1,521,377)	(290,712)	-	(1,812,089)
Total expenditure		(2,010,965)	(290,712)	-	(2,301,677)
Gains/losses on investment assets		11,108	-	75,861	86,969
Net (expenditure)/income		(169,847)	4,384,021	76,861	4,291,035
Transfers between funds		251,132	48,868	(300,000)	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes		(12,456)	-	-	(12,456)
Net movement in funds		68,829	4,432,889	(223,139)	4,278,579
Reconciliation of funds					
Total funds brought forward		97,020	9,973,129	2,078,699	12,148,848
Total funds carried forward	24	165,849	14,406,018	1,855,560	16,427,427

All of the group's activities derive from continuing operations during the above two periods. The funds breakdown for 2017 is shown in note 24.



# Consolidated Balance Sheet as at 31 March 2019

Fixed Assets	Note	31 March 2019 £	(As restated) 31 December 2017 £
Tangible Assets	16	18,651,259	13,512,593
Heritage Costs	17	1,213,047	820,770
Investments		1,671,465	1,693,546
		21,535,771	16,026,909
Current assets			
Stocks	19	58,644	31,225
Debtors	20	856,156	1,061,440
Cash at bank and in hand		182,601	425,630
		1,097,401	1,518,295
Creditors: Amounts falling due within one year	21	(3,057,639)	(635,711)
Net current (liabilities)/assets		(1,960,238)	882,584
Net assets excluding pension liability		19,575,533	16,909,493
Pension scheme liability	22	(458,253)	(482,066)
Net assets including pension liability		19,117,280	16,427,427
Funds of the group:			
Endowment funds		1,525,432	1,855,560
Restricted funds		19,749,765	14,406,018
Unrestricted income funds			
Unrestricted funds		(1,699,665)	647,915
Pension reserve		(458,252)	(482,066)
Total unrestricted funds		(2,157,917)	165,849
Total funds	24	19,117,280	16,427,427

The financial statements on pages 26 to 68 were approved by the trustees, and authorised for issue on 10 December 2019 and signed on their behalf by:



.....  
C W N Crewdson OBE JP Trustee

# Balance Sheet as at 31 March 2019

Fixed Assets	Note	31 March 2019 £	(As restated) 31 December 2017 £
Tangible Assets	16	18,651,259	13,512,593
Heritage Costs	17	1,213,047	820,770
Investments		540,395	543,810
		20,404,701	14,877,173
Current assets			
Debtors	20	918,842	1,164,602
Cash at bank and in hand		181,308	339,369
		1,100,150	1,503,971
Creditors: Amounts falling due within one year	21	(3,001,431)	(616,632)
Net current (liabilities)/assets		(1,901,281)	887,339
Net assets including pension liability		18,503,420	15,764,512
Funds of the charity:			
Endowment funds		394,360	705,822
Restricted funds		19,749,764	14,406,017
Unrestricted income funds			
Unrestricted funds		(1,640,704)	652,673
Total funds	24	18,503,420	15,764,512

The financial statements on pages 26 to 68 were approved by the trustees, and authorised for issue on 10 December 2019 and signed on their behalf by:



.....  
C W N Crewdson OBE JP Trustee



# Consolidated Statement of Cash Flows for the Period from 1 January 2018 to 31 March 2019

<b>Fixed Assets</b>	<b>Note</b>	<b>31 March 2019 £</b>	<b>(As restated) 31 December 2017 £</b>
Cash flows from operating activities			
Net cash income		2,689,853	4,278,579
Adjustments to cash flows from non-cash items			
Depreciation	16	38,734	23,036
Investment income	6	(61,911)	(62,629)
Revaluation of investments		22,081	(86,969)
		2,688,757	4,152,017
Working capital adjustments			
(Increase)/decrease in stocks	19	(27,419)	5,414
Decrease in debtors	20	205,284	22,040
Increase/(decrease) in creditors	21	1,961,200	(473,463)
Decrease (increase) in retirement benefit obligation net of actuarial changes	22	(23,813)	4,482
Increase in deferred income		60,728	19,070
Net cash flows from operating activities		4,864,737	3,729,560
Cash flows from investing activities			
Interest receivable and similar income	6	40	1,085
Purchase of tangible fixed assets	16	(5,177,400)	(5,216,952)
Purchase of heritage assets	17	(392,277)	(206,681)
Sale of investments		-	550,000
Income from dividends and investment property	6	61,871	61,544
Net cash flows from investing activities		(5,507,766)	(4,811,004)
Cash flows from financing activities			
Repayment of loans and borrowings	21	400,000	-
Net decrease in cash and cash equivalents		(243,029)	(1,081,444)
Cash and cash equivalents at 1 January		425,630	1,507,074
Cash and cash equivalents at 31 March		182,601	425,630

All of the cash flows are derived from continuing operations during the above two periods.

# Notes to the Financial Statements for the Period from 1 January 2018 to 31 March 2019

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## 1. Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation. The address of the registered office is given on the charity information page of these financial statements. The nature of the charity's operations and principal activities are as an arts and heritage organisation caring for and running Abbot Hall Art Gallery and The Museum of Lakeland Life & Industry in Kendal, Blackwell, The Arts & Crafts House, and the new Windermere Jetty, Museum of Boats, Steam and Stories in Bowness-on-Windermere. The principal place of business is: Abbot Hall Kendal LA9 5AL. These financial statements were authorised for issue by the trustees on 10 December 2019.

## 2. Accounting policies

Summary of significant accounting policies and key accounting estimates. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

### Basis of preparation

Lakeland Arts meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

### Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2019. The subsidiaries consolidated for this purpose were Lakeland Arts Enterprises Ltd and Lakeland Arts Trust.



No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a surplus after tax for the financial year of £2,585,319 (December 2017 - £3,492,405).

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included

in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of



exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

### **Disclosure of long or short period**

The charity changed its year end to 31 March, so these accounts cover the fifteen month period from 1 January 2018 to 31 March 2019. The comparatives are for the twelve months ended 31 December 2017.

### **Going concern**

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

The trustees 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.

In March 2019 the charity opened a new world-class heritage attraction, Windermere Jetty, Museum of Boats, Steam & Stories. The continued delay in construction and opening of Windermere Jetty had a significant negative impact on the financial performance of the organisation. The substantial preopening costs has contributed £482,442 towards the deficit and these unique circumstances will not be repeated in the following year.

Lakeland Arts contributed £1.342m of unrestricted funds towards the construction of Windermere Jetty to 31st March 2019. At 31st March 2019 there was a significant amount of Trade Creditors received which related to Windermere Jetty where corresponding funding for these costs was received in April and May 2019. The total future income from funders equates to £1.2m with cash of £670k from grants. These inflows will be reflected in the Financial Statements to 31st March 2020. The remaining unrestricted deficit was funded by £400k loan received at the end of March 19 as well as making use of creditors payment terms.

During the year to 31st March 2020, we saw a change to the Senior Leader Team, which included an appointment of a qualified accountant as Financial Controller, a new CEO was appointed in Feb 2019 and the formation of a Finance Committee. This increase in governance and organisational leadership has led to an organisational strategic review being undertaken in November 2019, where part of this is a two-year organisational recovery plan. The financial impact of the review will not be seen until the financial year ending March 2021.

To support the cash flow during this period of change the Senior Leadership Team and

Finance Committee are reviewing the release of funds tied up in underutilised assets and other resources and investments. They are also pursuing additional funding streams to support the organisational cash flow.

On this basis, it is believed that the charity is a going concern.

### Changes in accounting policy

The charity changed its accounting policy with regard to capitalising heritage assets in respect of the boat collection at the Windermere Steamboat Museum. As the costs for these assets were identifiable these assets have been capitalised and shown on the balance sheet. This necessitated a prior year adjustment to bring in costs of £820,770 relating to prior years.

### Prior period errors

As a result of the change in accounting policy with regard to the boat collection at Windermere Steamboat Museum costs of £820,770 from previous years were capitalised. As part of that process additional costs relating to the Museum itself were also identified and capitalised.

Relating to current period disclosed in the these financial statements	Relating to the prior period disclosed in the these financial statements	Relating to the prior periods before the prior period disclosed in the these financial statements
-	(768,805)	(269,278)
(1,451,399)	(682,594)	(413,315)
-	630,629	68,504
-	820,770	614,089

SOFA Charitable activities SOFA funds  
brought forward Balance sheet Tangible  
assets Balance sheet Heritage assets

### Key sources of estimation uncertainty

The pension deficit is estimated based on the net present value of past deficit contributions agreed with the Pension Scheme administrators as payable. No actuarial figures for the scheme assets and liabilities

have been made available for these accounts as there were no active employees in the scheme for the accounting period. As a result the pension deficit purely represents the past deficit contribution liability. Discount rates used were the Iboxx Corporate AA 10+ rates published by Mercer, 1.04% for the current accounting period and 1.57% for the year ended 31 December 2017. The carrying amount is £458,252 (2017 -£482,066).

### Income and endowments

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

### Donations and legacies

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

1. when donors specify that donations and grants given to the charitable company must be used in future accounting periods the income is deferred until these periods; or
2. when donors impose conditions which have to be fulfilled before the charitable company becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value

of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

### **Deferred income**

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

### **Gifts in kind**

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value.





They are not deferred over the life of the asset.

Donated heritage assets are recognised in the Heritage Asset note but are not otherwise recognised in the Statement of Financial Activities (SOFA) in line with the policy on Heritage Assets.

### **Donated services and facilities**

Where services or facilities are provided to the charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at its fair value unless its fair value cannot be reliably measured, then at the cost to the donor or the resale value of goods that are to be sold.

### **Other trading activities**

Income from commercial trading activities, including retail and catering and commission on sale or return items through retail outlets. This income is primarily the income of the trading subsidiary Lakeland Arts Enterprises Ltd and is recorded on a receivable basis.

### **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.

### **Charitable activities**

Income from Charitable trading activities through Abbot Hall Art Gallery, Blackwell the Arts & Crafts House, Museum of Lakeland Life and Industry and the Windermere Jetty (including admission, learning and Friends of Lakeland Arts memberships), is included in incoming resources in the period for which it is receivable.

### **Other income**

Income from parking, room hires and other sources, including income from an insurance claim made in 2015. The claim relates to

flooding which affected many parts of the locality in December 2015. Lakeland Arts suffered significant business interruption to all venues during December and into 2016 and 2017 due to a reduction in the number of visitors to the area. The catering premises at Abbot Hall flooded and were forced to close in December 2015 and were accommodated in temporary facilities from June 2016 to May 2017, when they were replaced by the Bakestone cafe. Costs were also incurred in moving the collections off-site whilst work is undertaken to create a suitable on-site storage facility above the flood level. The insurance claim was agreed and paid in 2017.

### **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.

Expenditure is included in the Consolidated Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. All costs are defined in 4 specific categories:

- Raising funds
- Fundraising trading
- Charitable activities
- Other

### **Raising funds**

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

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

### **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.

### **Support costs**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management and professional fees. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

### **Governance costs**

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

### **Tangible fixed assets**

Individual fixed assets costing £5,000.00 or more are initially recorded at cost including any incidental expenses of acquisition (with the exception of heritage assets), less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Lakeland Arts owns the former Kendal Grammar School (constructed 1588) which is part of the Abbot Hall site. The building is currently divided into 2 parts; no 9 Church Walk is a residential property acquired in 2011 and held as part of the investment portfolio and no 11 Church Walk, also





residential which has been in the ownership of Lakeland Arts for many years and is currently used as storage. The latter portion was last valued in 2015 and included in the accounts as a freehold property. The property is stated in the accounts at market value. Revaluation will take place every 5 years.

The Windermere Steamboat Museum, designed by Carmody Groarke Architects, opened in March 2019 and houses a collection of steamboats and other vessels known as the Steamboat Museum Collection.

### **Heritage assets**

Lakeland Arts' principal objects include establishment and maintenance of public art galleries and museums for the benefit of the public. In this connection the charitable company has a long leasehold interest, at a

peppercorn rent, in listed buildings at Abbot Hall, of which Abbot Hall itself is Grade 1 Listed. The charitable company also has a freehold interest in the Grade 1 Listed Arts & Crafts House at Blackwell – a property of unique historic importance near Bowness-on-Windermere.

These historic properties are inalienable heritage assets in the sense that it is a fundamental part of the charitable company's purpose to hold and preserve them permanently, and Lakeland Arts is effectively prohibited from disposing of them for any other purpose, not only by the terms of its governing documents, but also by external considerations including the terms of leases, conditions applied by funding bodies and planning consents. These properties 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 Trustees consider that the buildings are heritage assets and the charitable company does not, therefore, represent them on the Balance Sheet.

The only exception is the Boat Collection which have been capitalised as Heritage Assets.

Further information on the Lakeland Arts' heritage assets is given in the notes, in accordance with the terms of 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) '18. Accounting for heritage assets'.

### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

- Freehold land and buildings  
*Held at valuation, revalued every five years*
- Leasehold land and buildings  
*straight line over the term of the lease*
- Plant, equipment and fittings  
*straight line over 4 years*

### **Research and development**

Research and development expenditure is written off as incurred.

### **Investment properties**

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

18 Peppercorn Lane, valued at £125,000  
Church Walk, valued at £230,000

Revaluation took place during 2015.

### **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 period, 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 period and are credited or charged to the Statement of Financial Activities based on the market value at the period end.

### **Stock**

Stock consists of purchased goods for resale and is included at the lower of cost or net realisable value.

### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

### **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 charity 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.

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

### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the group.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Restricted endowment funds – these are non-permanent endowment funds, the income from which contributes to the

operating expenses of Lakeland Arts. The assets of the funds are represented by investments.

### **Financial instruments**

#### ***Classification***

Financial assets and financial liabilities are recognised when the group 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 group 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 group 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 group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, 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.

### 3. Income from donations and legacies

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Endowment funds Permanent £</b>	<b>Total 31 March 2019 £</b>	<b>Total Year ended 31 December 2017 £</b>
Voluntary income;					
Windermere Jetty Capital Project	-	3,290,514	1,000	3,291,514	4,204,772
Other grants and donations	748,274	451,864	-	1,200,138	960,865
Legacies	-	26,074	-	26,074	25,051
Donated services and facilities	-	-	-	-	4,203
	748,274	3,768,452	1,000	4,517,726	5,194,891

#### Windermere Jetty Capital Project

	<b>Restricted funds £</b>	<b>Restricted endowment funds £</b>	<b>2019 £</b>	<b>2017 £</b>
Heritage Lottery Fund	1,475,120	-	1,475,120	3,856,462
Regional Growth Fund	478,565	-	478,565	-
Garfield Weston Foundation	-	-	-	100,000
NCRF Funding	1,137,349	-	1,137,349	-
Sir John Fisher Foundation	150,000	-	150,000	-
The Foyle Foundation	-	-	-	75,000
The Headley Trust	-	-	-	75,000
Mr & Mrs A Ambler	-	-	-	25,000
Trustees John R Murray	20,000	-	20,000	-
W J Endowment	-	1,000	1,000	1,000
The Michael Marks Charitable Trust	-	-	-	10,000
Aslackby Trust	-	-	-	10,000
The Steel Charitable Trust	10,000	-	10,000	10,000
Roundhouse Foundation	10,000	-	10,000	-
John Armitage Charitable Trust	-	-	-	5,000
M Ainscough	-	-	-	5,000
J H Barker	-	-	-	5,000
A Gallagher	-	-	-	5,000
N Harrison	-	-	-	5,000
Charles Nugent	5,000	-	5,000	-
Other donations of £3,000 and under	4,480	-	4,480	14,032
Fundraising	-	-	-	1,500
Gift Aid	-	-	-	1,778
	3,290,514	1,000	3,291,514	4,218,804



## Other grants and donations

	Unrestricted funds £	Restricted funds £	2019 £	2017 £
Arts Council England MPM	150,150	-	150,150	297,096
Arts Council England NPO	388,435	-	388,435	120,696
Arts Council England - Abbot Hall	-	-	-	6,948
Lakeland Arts Support Trust	55,000	-	55,000	285,911
Arts Council England - Abbot Hall Project	-	318,731	318,731	37,497
F A Scott - Abbot Hall Project	-	16,000	16,000	-
Abbot Hall Redevelopment Project Donations	-	22,522	22,522	-
Heritage Lottery Fund Resilience	-	29,762	29,762	-
Heritage Lottery Fund- Blackwell Project	-	-	-	6,690
The Sir John Fisher Foundation	25,000	-	25,000	75,000
South Lakeland District Council	25,550	-	25,550	29,115
John Ellerman Foundation	-	-	-	19,000
Cumbria Flood Recovery Fund 2015 (Groups)	-	-	-	15,000
Gilbert Gilkes & Gordon Ltd	-	-	-	15,000
Benefactors and Patrons	28,305	-	28,305	16,849
Cumbria Museums Consortium	-	19,382	19,382	-
Creative Age Project: In the Moment	-	-	-	10,280
Cumbria County Council - Dementia Pro- gramme	-	-	-	5,000
AIA Lady Elizabeth restoration grant	-	10,355	10,355	-
Artfund Sponsorship	6,750	750	7,500	-
Sanlam Private Wealth	2,000	-	2,000	-
Core Leadership Programme	-	15,000	15,000	-
Headley Trust	25,000	-	25,000	-
Hadfield Trust	-	2,000	2,000	-
Monet Core Programme	-	2,000	2,000	-
Learning grant WJ	10,570	-	10,570	-
The Rusland Movement	-	6,000	6,000	-
Cumbria County Council	-	5,000	5,000	-
Westmorland	-	1,200	1,200	-
Rathbones	-	3,000	3,000	1,500
WSM Sponsorship	20,000	-	20,000	-
Other donations including gift aid	11,514	162	11,676	19,283
	748,274	451,864	1,200,138	960,865

## Legacies

	Unrestricted funds £	Restricted funds £	2019 £	2017 £
Legacy for Abbot Hall Redevelopment	-	26,074	26,074	-
Estate of Dr M Purdy	-	-	-	22,038
Estate of Roger Chorley	-	-	-	3,013
	-	26,074	26,074	25,051

## 4. Income from charitable activities

	Unrestricted funds £	Total 31 March 2019 £	Year ended 31 December 2017 £
Admission charges	429,408	429,408	412,514
Learning income	10,601	10,601	6,867
	440,009	440,009	419,381

## 5. Income from other trading activities

	General £	Total 31 March 2019 £	Year ended 31 December 2017 £
Commercial trading operations	512,438	512,438	372,290
Commission on sale or return	-	-	39,162
	512,438	512,438	411,452

## 6. Investment income

	Unrestricted funds General £	Restricted funds £	Total 31 March 2019 £	Total Year ended 31 December 2017 £
listed investments	-	47,490	47,490	36,431
Interest receivable and similar income;				
Interest receivable on bank deposits	40	-	40	1,085
investments	7,856	-	7,856	19,893
Income from rents	6,525	-	6,525	5,220
	14,421	47,490	61,911	62,629

## 7. Other income

	<b>Unrestricted funds General £</b>	<b>Total 31 March 2019 £</b>	<b>Total Year ended 31 December 2017 £</b>
Other income	5,684	5,684	4,401
Insurance claim	-	-	398,636
Parking	13,838	13,838	10,604
Room hire	3,632	3,632	1,784
Commission on exhibition sales	1,980	1,980	-
Licence of images	1,826	1,826	1,415
SLDC community toilet scheme	-	-	550
	26,960	26,960	417,390

## 8. Expenditure on raising funds

### a) Costs of generating donations and legacies

	<b>Notes</b>	<b>Unrestricted funds General £</b>	<b>Total 31 March 2019 £</b>	<b>Total Year ended 31 December 2017 £</b>
Marketing and publicity		25,975	25,975	1,686
Other direct costs of generating voluntary income		58,523	58,523	27,016
Allocated support costs	10	53,380	53,380	38,884
		137,878	137,878	67,586

### b) Costs of trading activities

	<b>Unrestricted funds General £</b>	<b>Total 31 March 2019 £</b>	<b>Total Year ended 31 December 2017 £</b>
Trading subsidiary costs	563,260	563,260	422,002
	563,260	563,260	422,002

## c) Investment management costs

	Unrestricted funds General £	Total 31 March 2019 £	Total Year ended 31 December 2017 £
Administration of the investments	123	123	-
	123	123	-





## 9 Expenditure on charitable activities

	<b>Unrestricted funds General £</b>	<b>Restricted funds General £</b>	<b>Total 31 March 2019 £</b>	<b>Total Year ended 31 December 2017 £</b>
Exhibition programmes	428,892	17,898	17,898	322,040
Blackwell Project	-	-	-	19,063
Collections and conservation of exhibits	55,408	2,786	2,786	34,815
Learning	196,325	23,346	23,346	170,665
Publicity and memberships	172,352	21,168	21,168	140,249
Historic buildings and premises costs	428,127	55,276	55,276	673,428
Visitor operations	171,228	2,786	2,786	132,759
Windermere Jetty Project	479,656	2,786	2,786	208,628
	1,931,988	126,046	126,046	1,701,647

	<b>Activity undertaken directly £</b>	<b>Activity support costs £</b>	<b>Total 31 March 2019 £</b>	<b>Total Year ended 31 December 2017 £</b>
Exhibition programmes	367,216	79,574	446,790	322,040
Blackwell Project	-	-	-	19,063
Collections and conservation of exhibits	42,178	16,016	58,194	34,815
Learning	132,580	87,091	219,671	170,665
Publicity and memberships	159,968	33,552	193,520	140,249
Historic buildings and premises costs	394,517	88,886	483,403	673,428
Visitor operations	62,155	111,859	174,014	132,759
Windermere Jetty Project	419,352	63,090	482,442	208,628
	1,577,966	480,068	2,058,034	1,701,647

£1,931,988 (2017 - £1,997,972) of the above expenditure was attributable to unrestricted funds and £126,046 (2017 - £290,712) to restricted funds.

In addition to the expenditure analysed above, there are also governance costs of £68,209 (2017 - £110,442) which relate directly to charitable activities. See note 10 for further details.

## 10. Analysis of governance and support costs

	Unrestricted funds General £	Total 31 March 2019 £	Total Year Ended 31 December 2017 £
Staff costs			
Wages and salaries	-	-	84,791
Social security costs	-	-	9,405
Other staff costs	23,504	23,504	-
Audit fees			
Audit and other fees paid to auditors	43,418	43,418	16,245
Trustees remuneration and expenses	1,287	1,287	-
	68,209	68,209	110,441

## 11. Net incoming/outgoing resources

	Total 31 March 2019 £	Total Year Ended 31 December 2017 £
Depreciation of fixed assets	29,021	23,036



## 12. Trustees remuneration and expenses

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

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

Donations made by the trustees without any conditions attached totalled £Nil for the year (2017 - £11,000). Out of pocket expenses were reimbursed to trustees of £301 (2017 - £186)

## 13. Staff Costs

Staff costs during the period weres:

	<b>2019 £</b>	<b>31 December 2017 £</b>
Wages and salaries	1,419,295	1,014,615
Social security costs	117,064	76,220
Pension costs	16,156	5,427
Other staff costs	23,504	-
	1,576,019	1,096,262

The monthly average number of persons (including senior management team) employed by the group during the period expressed as full time equivalents was as follows:

	<b>31 March 2019</b>	<b>31 December 2017</b>
Management, curatorial, marketing and learning	No 28	No 23
Administration	9	4
Desk/shop staff	8	3
Coffee House & Tea Room	16	11
Other	4	2
	65	43

The average number of employees in the year as defined by s382/383 of the Companies Act 2006 was 130 (2017 - 60).

The number of employees whose emoluments fell within the following bands was:

	<b>31 March 2019</b>	<b>31 December 2017</b>
£60,001 - £70,000	1	1

The total employee benefits of the key management personnel of the group were £255,525 (2017 - £192,337).





## 14. Auditors' remuneration

	1 January 2018 to 31 March 2019 £	Year ended 31 December 2017 £
Audit of the financial statements	18,351	14,125
Other fees to auditors		
The auditing of accounts of any as- sociate of the charity	1,310	2,120
Audit-related assurance services	3,079	-
All other tax advisory services	525	-
All other non-audit services	29,872	8,099
	34,786	10,219

The audit fees include provision of accountancy services for the preparation of group accounts.

## 15. Taxation

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

## 16. Tangible fixed assets

### Group:

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Asset in the course of construction £	Total £
<b>Cost</b>					
At 1 January 2018	190,000	286,669	14,950	13,270,026	13,761,645
Additions	-	65,064	-	5,112,336	5,177,400
Transfers	17,864,731	-	-	(17,864,731)	-
At 31 March 2019	18,054,731	351,733	14,950	517,631	18,939,045
<b>Depreciation</b>					
At 1 January 2018	-	234,102	14,950	-	249,052
Charge for the year	-	38,734	-	-	38,734
At 31 March 2019	-	272,836	14,950	-	287,786
<b>Net book value</b>					
At 31 March 2019	18,054,731	78,897	-	517,631	18,651,259
At 31 December 2017	190,000	52,567	-	13,270,026	13,512,593

Included within the net book value of land and buildings above is £190,000 (2017 - £190,000) in respect of freehold land and buildings and £17,864,731 (2017 - £Nil) in respect of leaseholds.



## Charity:

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Asset in the course of construction £	Total £
<b>Cost</b>					
At 1 January 2018	190,000	286,669	14,950	13,270,026	13,761,645
Additions	-	65,064	-	5,112,336	5,177,400
Transfers	17,864,731	-	-	(17,864,731)	-
At 31 March 2019	18,054,731	351,733	14,950	517,631	18,939,045
<b>Depreciation</b>					
At 1 January 2018	-	234,102	14,950	-	249,052
Charge for the year	-	38,734	-	-	38,734
At 31 March 2019	-	272,836	14,950	-	287,786
<b>Net book value</b>					
At 31 March 2019	18,054,731	78,897	-	517,631	18,651,259
At 31 December 2017	190,000	52,567	-	13,270,026	13,512,593

Included within the net book value of land and buildings above is £190,000 (2017 - £190,000) in respect of freehold land and buildings and £17,864,731 (2017 - £Nil) in respect of leaseholds.

The asset transferred from in the course of construction is the Windermere Steamboat Museum which opened in March 2019. The development is a restricted asset and is being funded by the Heritage Lottery Fund, The Regional Growth Fund, trusts and foundations and individual donors. The remaining balance in assets in the course of construction relates to the initial development fees for the Abbot Hall project.







## 17. Heritage assets

	Land and buildings £	Furniture and equipment £
<b>Cost</b>		
At 1 January 2018	820,770	820,770
<b>Additions</b>	392,277	392,277
At 31 March 2019	1,213,047	1,213,047
<b>Depreciation</b>		
At 31 March 2019	-	-
<b>Net book value</b>		
At 31 March 2019	1,213,047	1,213,047

### 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.

Lakeland Arts maintains a full inventory of all the collections held. 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.



## Summary of transactions

	31 March 2019 £	31 December 2017 £	31 December 2016 £	31 December 2015 £	31 December 2014 £
<b>Purchases and additions</b>					
Books	-	-	2,500	-	-
Ceramics	-	-	-	3,780	-
Furniture	-	20,000	-	5,000	-
Industrial history	-	-	-	-	19,000
Textiles	-	1,062	-	-	-
Drawings	15,300	-	-	-	-
<b>Donations</b>					
Ceramics	-	-	2,750	-	-
Costume	-	-	700	-	-
Drawings	-	100	-	-	-
Ephemera	-	-	270	-	-
Industrial history	-	100	-	-	300
Paintings	40,000	1,260,000	148,500	5,000	56,000
Prints	-	-	-	-	200
Social history	170	250	865	-	-
Watercolours	-	-	-	15,000	6,300
Maritime	45,200	-	-	-	-
Total additions	100,670	1,281,512	155,585	28,780	81,800



	<b>Boat Collection £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2018	820,770	820,770
<b>Additions</b>	392,277	392,277
At 31 March 2019	1,213,047	1,213,047
<b>Depreciation</b>		
At 31 March 2019	-	-
<b>Net book value</b>		
At 31 March 2019	1,213,047	1,213,047

### Heritage assets not recognised in the balance sheet

The permanent collections are held by Lakeland Arts Trust.

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).

### **Disposals**

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 Museum of Lakeland Life and Industry have entered into a planned timetable of collections preservation, care and management. Accreditation is now operated by Arts Council England. Windermere Jetty will apply for Accreditation when it opens to the public, due to be in 2018.

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 charitable company's Heritage assets, including buildings and land is estimated as £25.4m.



## 18. Fixed asset investments Group

	31 March 2019 £	31 December 2017 £
Investment properties	355,000	355,000
Other investments	1,316,465	1,338,546
	1,671,465	1,693,546

### Investment properties

	31 March 2019 £
<b>Cost or Valuation</b>	
At 1 January 2018	355,000
<b>Provision</b>	
At 31 March 2019	-
<b>Net book value</b>	
At 31 March 2019	355,000
At 31 December 2017	355,000

The investment properties were valued in 2015 by an independent valuer.



## Other investments

	Listed Investments £	Total £
<b>Cost or Valuation</b>		
At 1 January 2018	1,338,546	1,338,546
<b>Provision</b>	(22,081)	(22,081)
At 31 March 2019	1,316,465	1,316,465
<b>Net book value</b>		
At 31 March 2019	1,316,465	1,316,465
At 31 December 2017	1,338,546	1,338,546

## Charity

	31 March 2019 £	31 December 2017 £
Investment properties	355,000	355,000
Shares in group undertakings and participating interests	2	2
Other investments	185,393	188,808
	540,395	543,810

## Investment Property

	Investment Properties £
<b>Cost or Valuation</b>	
At 1 January 2018	355,000
<b>Provision</b>	
At 31 March 2019	-
<b>Net book value</b>	
At 31 March 2019	355,000
At 31 December 2017	355,000

The investment properties were valued in 2015 by an independent valuer.

## Shares in group undertakings and participating interests

	Subsidiary undertakings	Total
<b>Cost</b>		
At 1 January 2018	2	2
At 31 March 2019	2	2
<b>Net book value</b>		
At 31 March 2019	2	2
At 31 December 2017	2	2

## Other investments

	Investment Properties £	Total £
<b>Cost or Valuation</b>		
At 1 January 2018	188,808	188,808
<b>Revaluation</b>	(3,415)	(3,415)
At 31 March 2019	185,393	185,393
<b>Net book value</b>		
At 31 March 2019	185,393	185,393
At 31 December 2017	188,808	188,808

## Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held 2019	Proportion of voting rights and shares held 2017	Principal activity
Lakeland Arts England Ltd	England	Ordinary	100%	100%	Operating tea rooms and gift shops

## Subsidiaries

The loss for the financial period of Lakeland Arts Enterprises Ltd was £53,864 (2017 - £18,199) and the aggregate amount of capital and reserves at the end of the period was £(58,063) (2017 - £(4,199)).

## 19. Stock

	<b>Group 31 March 2019 £</b>	<b>Group 31 December 2017 £</b>	<b>Charity 31 March 2019 £</b>	<b>Charity 31 Decem- ber 2017 £</b>
Finished goods	58,644	31,225	-	-

## 20. Debtors

	<b>Group 31 March 2019 £</b>	<b>Group 31 December 2017 £</b>	<b>Charity 31 March 2019 £</b>	<b>Charity 31 December 2017 £</b>
Trade debtors	24,337	11,454	24,258	9,898
Due from group un- dertakings	-	-	62,994	133,924
Prepayments	62,350	42,110	62,350	13,426
Accrued income	462,479	701,715	462,479	701,715
VAT recoverable	204,207	44,378	203,978	44,378
Other debtors	102,783	261,783	102,783	261,261
	856,156	1,061,440	918,842	1,164,602



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

	Group 31 March 2019 £	Group 31 December 2017 £	Charity 31 March 2019 £	Charity 31 December 2017 £
Trade creditors	2,402,235"	552,708"	2,350,438"	537,981"
Other loans	400,000	-	400,000	-
Other taxation and social security	33,986	20,264	33,986	20,264
Other creditors	20,008	5,392	20,008	5,391
Accruals	116,362	33,027	111,951	28,676
Deferred income	85,048	24,320	85,048	24,320
	3,057,639	635,711	3,001,431	616,632

## Deferred income

	31 December 2017 £
Deferred income at 1 January 2018	5,250
Resources deferred in the period	28,820
Amounts released from previous periods	(5,250)
Deferred income at year end	28,820





## 22. Pension and other schemes

### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £16,156 (2017 - £Nil).

### Defined benefit pension schemes

#### Cumbria Local Government Pension Scheme

Lakeland Arts Trust was a member of the Cumbria Local Government Pension Scheme before the operations were transferred to Lakeland Arts on 1 August 2013. The Scheme is not currently active although the charity is working with the Council to prevent crystallisation by bringing an employee into the Scheme and paying contributions on a normal basis. The current payments into the scheme relate to past deficit contributions.

The date of the most recent comprehensive actuarial valuation was 31 March 2014. No actuarial valuation was available for these accounts due to the fact that the Scheme is not fully active. Where the scheme is in deficit and where the charity has agreed to a funding deficit funding arrangement, the charity has to recognise a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate of 1.3% (2016 - 1.45%) in these accounts. The unwinding of the discount rate is recognised as a finance cost in other expenses. The discount rate used is the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions. The amount payable is based on the latest information available which is £31,900pa.

Should the scheme crystallise the exit calculation could be in excess of £650,000 (last calculation was in 2011).

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

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

	31 March 2019 £	31 December 2017 £
Present value of defined benefit obligation	458,252	482,066

### Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	31 March 2019 £
Present value at start of period	482,066
Arrears paid	(43,420)
Actuarial gains and losses	19,606
Present value at end of period	458,252

# 23. Commitments

## Group

### Capital commitments

Lakeland Arts is committed to the redevelopment of Abbot Hall Art Gallery which is due to commence in September 2020 and will take 18 months to complete.

The total amount contracted for but not provided in the financial statements was £Nil (2017 - £400,000).

## Charity

### Other financial commitments

The charity has an operating lease commitment for equipment.

The total amount of other financial commitments not provided in the financial statements was £1,469 (2017 - £2,937).



## 24. Funds

### Group Unrestricted funds

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/ (losses) £	Balance at 31 March 2019 £
<b>General</b>						
General funds	647,915	1,742,102	(2,701,458)	(1,385,466)	(2,758)	(1,699,665)
<b>Designated</b>						
Pension scheme deficit	482,066	-	-	43,420	(19,606)	(458,252)
<b>Total unrestricted funds</b>	165,849	1,742,102	(2,701,458)	(1,342,046)	(22,364)	(2,157,917)

### Restricted funds

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/ (losses) £	Balance at 31 March 2019 £
Windermere Jetty in the course of construction	13,270,026	-	-	4,594,705	-	17,864,731
Windermere Boat Collection	820,770	-	-	392,277	-	1,213,047
Windermere Jetty Capital Funds	-	3,290,514	-	(3,290,514)	-	-
Development Funds	500	-	-	(500)	-	-
Boat conservation funds	2,000	10,355	-	(12,355)	-	-
Blackwell Funds	-	52,490	(52,490)	-	-	-
Learning funds	19,562	-	(19,562)	-	-	-
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Exhibitions & Collections Funds	-	15,112	(15,112)	-	-	-
Abbot Hall Project Capital Funds	287,497	383,327	-	(517,631)	-	153,193
Abbot Hall Redevelopment	-	-	-	517,631	-	517,631
Gilbert Gilkes & Gordon Ltd	4,500	-	(4,500)	-	-	-
Heritage Lottery Fund Resilience	-	29,762	-	(29,762)	-	-
Cumbria Museums Consortium	-	19,382	(19,382)	-	-	-
Core Leadership Programme	-	15,000	(15,000)	-	-	-
<b>Total restricted funds</b>	14,406,018	3,815,942	(126,046)	1,653,851	-	19,749,765





## Endowment funds

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/ (losses) £	Balance at 31 March 2019 £
<b>Permanent</b>						
Blackwell Endowment	1,149,738	-	-	-	(18,666)	1,131,072
<b>Expendable</b>						
General Endowment	395,017	-	-	-	(657)	394,360
Windermere Jetty Endow- ment	310,805	1,000	-	(311,805)	-	-
	705,822	1,000	-	(311,805)	(657)	394,360
<b>Total endowment funds</b>	1,855,560	1,000	-	(311,805)	(19,323)	1,525,432
<b>Total funds</b>	16,427,427	5,559,044	(2,827,504)	-	(41,687)	19,117,280

## Unrestricted funds

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/ (losses) £	Balance at 31 March 2019 £
<b>General</b>						
General funds	574,605	1,830,010	(2,010,965)	243,157	11,108	647,915
<b>Designated</b>						
Pension scheme deficit	(477,585)	-	-	7,975	(12,456)	(482,066)
<b>Total unrestricted funds</b>	97,020	1,830,010	(2,010,965)	251,132	(1,348)	165,849

## Restricted funds

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/ (losses) £	Balance at 31 December 2017 £
Windermere Jetty in the course of construction	8,059,120	4,203,772	-	1,007,134	-	13,270,026
Windermere Boat Collection	614,089	-	-	206,681	-	820,770
Windermere Jetty Capital Funds	1,185,783	-	(14,952)	(1,170,831)	-	-
Development Funds	500	-	-	-	-	500
Boat conservation funds	2,000	-	-	-	-	2,000
Blackwell Funds	6,489	43,121	(55,494)	5,884	-	-
Learning funds	13,421	10,280	(3,369)	(770)	-	19,562
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Exhibitions & Collections Funds	-	29,000	(29,000)	-	-	-
Abbot Hall Funds	90,564	81,063	(171,628)	1	-	-
Abbot Hall Project Capital Funds	-	287,497	-	-	-	287,497
Dementia Project	-	5,000	(5,769)	769	-	-
Gilbert Gilkes & Gordon Ltd	-	15,000	(10,500)	-	-	4,500
<b>Total restricted funds</b>	<b>9,973,129</b>	<b>4,674,733</b>	<b>(290,712)</b>	<b>48,868</b>	<b>-</b>	<b>14,406,018</b>

## Endowment funds

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/ (losses) £	Balance at 31 December 2017 £
<b>Permanent</b>						
Blackwell Endowment	1,084,949	-	-	-	64,789	1,149,738
<b>Expendable</b>						
General Endowment	683,945	-	-	(300,000)	11,072	395,017
Windermere Jetty Endow- ment	309,805	1,000	-	-	-	310,805
	993,750	1,000	-	(300,000)	11,072	705,822
<b>Total endowment funds</b>	<b>2,078,699</b>	<b>1,000</b>	<b>-</b>	<b>(300,000)</b>	<b>75,861</b>	<b>1,855,560</b>
<b>Total funds</b>	<b>12,148,848</b>	<b>6,505,743</b>	<b>(2,301,677)</b>	<b>-</b>	<b>74,513</b>	<b>16,427,427</b>

# Charity

## Unrestricted funds

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/ (losses) £	Balance at 31 March 2019 £
<b>General</b>						
General funds	652,673	1,229,623	(2,178,196)	(1,342,046)	(2,758)	(1,640,704)

## Restricted funds

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/ (losses) £	Balance at 31 March 2019 £
Windermere Jetty in the course of construction	13,270,025	-	-	4,594,705	-	17,864,730
Windermere Boat Collection	820,770	-	-	392,277	-	1,213,047
Windermere Jetty Capital Funds	-	3,290,514	-	(3,290,514)	-	-
Development Funds	500	-	-	(500)	-	-
Boat conservation funds	2,000	10,355	-	(12,355)	-	-
Blackwell Funds	-	52,490	(52,490)	-	-	-
Learning funds	19,562	-	(19,562)	-	-	-
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Exhibitions & Collections Funds	-	15,112	(15,112)	-	-	-
Abbot Hall Project Capital Funds	287,497	383,327	-	(517,631)	-	153,193
Abbot Hall Redevelopment	-	-	-	517,631	-	517,631
Gilbert Gilkes & Gordon Ltd	4,500	-	(4,500)	-	-	-
Heritage Lottery Fund Re- silience	-	29,762	-	(29,762)	-	-
Cumbria Museums Consor- tium	-	19,382	(19,382)	-	-	-
Core Leadership Pro- gramme	-	15,000	(15,000)	-	-	-
<b>Total restricted funds</b>	14,406,017	3,815,942	(126,046)	1,653,851	-	19,749,764

## Endowment funds

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/ (losses) £	Balance at 31 March 2019 £
General Endowment	705,822	1,000	-	(311,805)	(657)	394,360
	705,822	1,000	-	(311,805)	(657)	394,360
<b>Total funds</b>	15,764,512	5,046,565	(2,304,242)	-	(3,415)	18,503,420





## Unrestricted funds

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/ (losses) £	Balance at 31 December 2017 £
<b>General</b>						
General funds	560,607	1,423,345	(1,593,519)	251,132	11,108	652,673

## Restricted funds

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/ (losses) £	Balance at 31 December 2017 £
Windermere Jetty in the course of construction	8,059,120	4,203,771	-	1,007,134	-	13,270,025
Windermere Boat Collection	614,089	-	-	206,681	-	820,770
Windermere Jetty Capital Funds	1,185,783	-	(14,952)	(1,170,831)	-	-
Development funds	500	-	-	-	-	500
Boat conservation funds	2,000	-	-	-	-	2,000
Blackwell funds	6,489	43,120	(55,493)	5,884	-	-
Learning funds	13,421	10,281	(3,370)	(770)	-	19,562
Dementia Project	-	5,000	(5,770)	770	-	-
Aurelius Trust (Blackwell Library)	1,163	-	-	-	-	1,163
Exhibitions & Collections funds	-	29,000	(29,000)	-	-	-
Abbot Hall Project Capital Funds	-	287,497	-	-	-	287,497
Abbot Hall funds	90,564	81,063	(171,627)	-	-	-
Gilbert Gilkes & Gordon Ltd	-	15,000	(10,500)	-	-	4,500
<b>Total restricted funds</b>	9,973,129	4,674,732	(290,712)	48,868	-	14,406,017

## Endowment funds

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/ (losses) £	Balance at 31 December 2017 £
General Endowment	993,750	1,000	-	(300,000)	11,072	705,822
	993,750	1,000	-	(300,000)	11,072	705,822
<b>Total funds</b>	11,527,486	6,099,077	(1,884,231)	-	22,180	15,764,512

## 25. Analysis of net assets between funds

### Group

	Unrestricted funds			Endowment funds	
	General £	Designated £	Restricted funds £	Expendable funds £	Total funds £
Tangible fixed assets	786,528	-	17,864,731	-	18,651,259
Heritage assets	-	-	1,213,047	-	1,213,047
Fixed asset investments	146,035	-	-	1,525,430	1,671,465
Current assets	113,607	-	671,987	311,807	1,097,401
Current liabilities	(3,057,639)	-	-	-	(3,057,639)
Pension scheme liability	-	(458,253)	-	-	(458,253)
Total net assets	(2,011,469)	(458,253)	19,749,765	1,837,237	19,117,280

	Unrestricted funds			Endowment funds	
	General £	Designated £	Restricted funds £	Expendable funds £	Total funds at 31 December 2017 £
Tangible fixed assets	242,567	-	12,639,397	-	12,881,964
Fixed asset investments	148,791	-	-	1,544,755	1,693,546
Current assets	348,215	-	859,274	310,806	1,518,295
Current liabilities	(635,711)	-	-	-	(635,711)
Pension scheme liability	-	(482,066)	-	-	(482,066)
Total net assets	103,862	(482,066)	13,498,671	1,855,561	14,976,028

## Charity

	Unrestricted funds		Endowment funds	
	General £	Restricted funds £	Expendable funds £	Total funds £
Tangible fixed assets	786,528	17,864,731	-	18,651,259
Heritage assets	-	1,213,047	-	1,213,047
Fixed asset investments	146,035	-	394,360	540,395
Current assets	116,359	671,986	311,805	1,100,150
Current liabilities	(3,001,431)	-	-	(3,001,431)
Total net assets	(1,952,509)	19,749,764	706,165	18,503,420

	Unrestricted funds		Endowment funds	
	General £	Restricted funds £	Expendable funds £	Total funds at 31 December 2017 £
Tangible fixed assets	242,567	12,639,397	-	12,881,964
Fixed asset investments	148,793	-	395,017	543,810
Current assets	333,892	859,274	310,805	1,503,971
Current liabilities	(616,632)	-	-	(616,632)
Total net assets	108,620	13,498,671	705,822	14,313,113

## 26. Analysis of net funds

### Group

	At 1 January 2018 £	Cash flow £	At 31 December 2018 £
Cash at bank and in hand	339,369	(158,061)	181,308
Net debt	339,369	(158,061)	181,308

	At 1 January 2017 £	Cash flow £	At 31 December 2017 £
Cash at bank and in hand	1,484,950	(1,145,581)	339,369
Net debt	1,484,950	(1,145,581)	339,369

## 27. Related party transactions

### Group

During the period the group made the following related party transactions:

#### JWK Solicitors

Anthony Collinson, Trustee, is a Director of JWK Solicitors. For the period ending 31st March 2019 Lakeland Arts paid £25,192 to JWK Solicitors for legal advice. At the balance sheet date the amount due from JWK Solicitors was £3,652 (2017 - £4,392).

#### Gilbert Gilkes & Gordon Ltd

Charles Crewdson, Trustee, is a Director and Shareholder of Gilbert Gilkes & Gordon Ltd. During 2019 Gilbert Gilkes & Gordon Ltd advanced a bridging loan of £400,000 to the charity.

At the balance sheet date the amount due from Gilbert Gilkes & Gordon Ltd was £400,000 (2017 - £Nil).







# Photo credits

- 1 Windermere Jetty © Marcus Ginns
- 5 Claude Monet Haystacks Snow Effect 1891 © National Galleries Of Scotland
- 6 Windermere Jetty Folk Song project
- 9 Kurt Schwitters, Flight, 1945 © Lakeland Arts Trust
- 11 Katie Spragg Blackwell workshop
- 12 Katie Spragg Blackwell workshop
- 13 RE(Make) at Windermere Jetty / Roswitha Chesher
- 15 Windermere Jetty Gallery
- 16 Art Camp © Florence Acland
- 17 Alison Watt in her Studio. Courtesy of the artist and Parafin, London.  
Photo by John McKenzie.jpg
- 20 Windermere Jetty External
- 22 Windermere Jetty Boathouse © Marcus Ginns
- 24 Blackwell Exterior © Lakeland Arts
- 26 Walking Madonna in Abbot Hall
- 31 Jo Baring lecture
- 33 Conservation in progress © Kate Gill
- 36 Laura Carlin at House of Illustration © Paul Grover
- 39 Blackwell Window
- 41 Manna House tapestry
- 46 Anne, Countess of Pembroke (Lady Anne Clifford)  
by William Larkin, c. 1618, © National Portrait Gallery, London
- 49 Hilde Goldschmidt, Self Portrait, 1952 © Lakeland Arts Trust
- 51 Lorna Singleton, Checking the shape and placement of the spelks  
© Thom Atkinson
- 52 Manna House tapestry
- 54 Blackwell Terraces and Lake © Tony West
- 55 Blackwell Lawn 2018
- 60 MOLLI Exterior with Trezion © Lakeland Arts
- 62 MH Baillie Scott Pair of Armchairs © Tony West
- 64 RE(Make) at Windermere Jetty Photo Roswitha Chesher
- 65 TIME MIRROR and artist Di Mainstone. Photo Steve Barber
- 66 Windermere Jetty during construction
- 67 Windermere Jetty Folk Song project
- 68 Rosemary Wren, Hippo Courtesy of York Museums Trust
- 69 RE(Make) at Windermere Jetty. Photo Roswitha Chesher
- 71 Minstrels Gallery in the Main Hall at Blackwell
- 74 Blackwell - Culture and Heritage Experience Award
- 75 Gordon Baldwin, Emergent Vessel, 1971, on loan from a private collection
- 77 Forest to Fleet at Windermere Jetty Learning Centre
- 79 Beatrix Potter s Tarn Boat at Windermere Jetty
- 83 Elisabeth Frink-Goggle Head © Frink Estate and Archive executors.  
Courtesy of The Ingram Collection, Image © JP Bland
- 87 Windermere Jetty main gallery
- 88 Grayson Perry Portrait, © Katie Hyams and Living Architecture

Abbot Hall Kendal LA9 5AL  
The charity is incorporated in England.

Company Registration Number: 8162578  
Charity Registration Number: 1153001