

CUMBRIA TOURISM

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

REGISTERED NUMBER 3027358



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Officers and Professional Advisers for the year ended 31st March 2022

The board of directors	James Walker Jennifer Cormack Gill Haigh Kerry Powell Richard Rankin David Southward Michael Turner Daniel Visser James Allison (appointed 17 June 2021) Nicholas Lancaster (appointed 17 June 2021) Anthony Markley (appointed 17 June 2021) Robin Ashcroft (resigned 17 June 2021) Carl Bevan (resigned 17 June 2021) Justin Farnan (resigned 17 June 2021)
Registered office	Windermere Road Staveley Kendal Cumbria LA8 9PL
Accountants	Lamont Pridmore Chartered Accountants 8 Stanger Street Keswick Cumbria CA12 5JU
Bankers	Barclays Bank plc 9 Highgate Kendal Cumbria LA9 4DA

Directors' Report for the year ended 31st March 2022

The Board of Directors present their Annual Report and the Financial Statements for the year ended 31st March 2022.

Principal Activities

The principal activities of the Company continue to be the promotion of the Region in order to attract visitors from the United Kingdom and Overseas; the undertaking of product development, research and evaluation; the improvement of productivity and the representation of visitors and the industry with the ultimate aim of improving the economic climate of the Region through the visitor economy.

Results

The Company made a trading surplus for the year before taxation of £40,536 after receiving COVID-19 grant funding totalling £25,342; the total reserves at 31st March 2022 were £1,057,068.

Directors

The affairs of the Company are conducted by its Board of Directors. The names of the members of the Board of Directors who served during the year are shown below. All served throughout the period with the exception of those whose date of appointment and resignation is specifically disclosed:

James Walker	Chairman
Jennifer Cormack	
Gill Haigh	
Kerry Powell	
Richard Rankin	
David Southward	
Michael Turner	
Daniel Visser	
James Allison	(appointed 17 June 2021)
Nicholas Lancaster	(appointed 17 June 2021)
Anthony Markley	(appointed 17 June 2021)
Robin Ashcroft	(resigned 17 June 2021)
Carl Bevan	(resigned 17 June 2021)
Justin Farnan	(resigned 17 June 2021)

Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' Report for the year ended 31st March 2022 (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Accountants

A resolution to re-appoint Lamont Pridmore as reporting accountants for the ensuing year will be proposed at the annual general meeting in accordance with section 489 of the Companies Act 2006.

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

By order of the Board

Gill Haigh

Managing Director

Dated: 19th May 2022

Registered office:
Windermere Road
Staveley
Kendal
Cumbria
LA8 9PL

**CHARTERED ACCOUNTANTS REPORT TO THE BOARD OF DIRECTORS ON THE
PREPARATION OF THE STATUTORY FINANCIAL STATEMENTS OF CUMBRIA TOURISM
YEAR ENDED 31ST MARCH 2022**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Cumbria Tourism for the year ended 31st March 2022, which comprise the statement of income and retained earnings, statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/membership/regulations-standards-and-guidance.

This report is made solely to the Board of Directors of Cumbria Tourism, as a body, in accordance with the terms of our engagement letter dated 20th May 2021. Our work has been undertaken solely to prepare for your approval the financial statements of Cumbria Tourism and state those matters that we have agreed to state to you, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cumbria Tourism and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Cumbria Tourism has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Cumbria Tourism. You consider that Cumbria Tourism is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Cumbria Tourism. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

For and on behalf of:

Lamont Pridmore
Chartered Accountants
8 Stanger Street
Keswick
Cumbria CA12 5JU

Dated: 19th May 2022

Statement of Income and Retained Earnings
For the year ended 31st March 2022

		2022 £	2021 £
	Notes		
Turnover			
Commercial Income		982,867	342,909
Membership subscriptions		<u>230,892</u>	<u>198,079</u>
		1,213,759	540,988
Partnership Funding			
District Council & LDNPA contributions		<u>36,400</u>	<u>43,869</u>
		<u>36,400</u>	<u>43,869</u>
Total Turnover		1,250,159	584,857
COVID-19 Grant Funding			
Coronavirus Job Retention Scheme		8,797	115,111
South Lakeland District Council		16,545	31,450
Visit England		-	102,293
Visit Britain		<u>-</u>	<u>22,400</u>
		<u>25,342</u>	<u>271,254</u>
		1,275,501	856,111
Expenditure			
Other operating charges		1,105,721	709,334
Administrative expenses		109,266	108,815
Depreciation of tangible fixed assets		<u>21,928</u>	<u>33,411</u>
		<u>1,236,915</u>	<u>851,560</u>
Operating surplus		38,586	4,551
Interest receivable	5	<u>1,950</u>	<u>2,674</u>
Surplus on ordinary activities before taxation		40,536	7,225
Taxation	6	<u>(4,141)</u>	<u>(6,510)</u>
Surplus for the financial year and total comprehensive income		36,395	715
Retained earnings at the start of the year		<u>939,482</u>	<u>938,767</u>
Retained earnings at the end of the year		<u><u>975,877</u></u>	<u><u>939,482</u></u>

The notes on pages 9 to 13 form an integral part of these statements.

Statement of Financial Position
As at 31st March 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	7	938,364	950,212
		-----	-----
CURRENT ASSETS			
Debtors	8	86,136	182,882
Cash at bank and in hand		730,938	579,332
		-----	-----
		817,074	762,214
CREDITORS: Amounts falling due within one year	9	698,370	691,753
		-----	-----
NET CURRENT ASSETS		118,704	70,461
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		1,057,068	1,020,673
		-----	-----
NET ASSETS		1,057,068	1,020,673
		-----	-----
RESERVES			
Revaluation reserve		26,191	26,191
Realised accumulated income reserve		975,877	939,482
Unrealised accumulated income reserve		55,000	55,000
		-----	-----
NET ASSETS		1,057,068	1,020,673
		-----	-----

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 31st March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 19th May 2022 and are signed on behalf of the Board by:

Gill Haigh
Director

The notes on pages 9 to 13 form an integral part of these statements.

Statement of Changes in Equity
As at 31st March 2022

	Notes	Revaluation reserve £	Realised accumulated income reserve £	Unrealised accumulated income reserve £	Total £
At 1st April 2020		26,191	938,767	55,000	1,019,958
Surplus for the year		–	715	–	715
		-----	-----	-----	-----
Total comprehensive income for the year		–	715	–	715
At 31st March 2021		26,191	939,482	55,000	1,020,673
Surplus for the year		–	36,395	–	36,395
		-----	-----	-----	-----
Total comprehensive income for the year		–	36,395	–	36,395
		-----	-----	-----	-----
At 31st March 2022		<u>26,191</u>	<u>975,877</u>	<u>55,000</u>	<u>1,057,068</u>

The notes on pages 9 to 13 form an integral part of these statements.

Notes to the Accounts
as at 31st March 2022**1 GENERAL INFORMATION**

The company is a private company limited by guarantee, registered in England and Wales. The address of the registered office is Windermere Road, Staveley, Kendal, Cumbria LA8 9PL.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3 ACCOUNTING POLICIES**Basis of preparation**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are presented in sterling, which is the functional currency of the entity.

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

Going concern

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within its current level of reserves. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the use of estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Any estimate that has a degree of uncertainty or where judgement has been exercised in a particular area is expressly disclosed within the relevant accounting policy.

Turnover

Turnover represents the invoiced amount of goods sold or services provided net of trade discounts and value added tax. The membership year runs from October and subscriptions are accounted for on an earned basis, and receipts of £126,750 (2021: £119,971) have been carried forward to the next financial year. During previous years the company delivered a number of programmes and also acted as the accountable body for a number of programmes, of a non-commercial nature having no effect upon the profitability of the company. There was no effect of these programmes on turnover and other operating charges in this financial year (2021: £Nil).

Pensions

The company operates a defined contribution pension scheme for employees; the assets of the scheme are held separately from the company and are administered by Royal London. The annual contributions payable are charged to the profit and loss account.

Exceptional items

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Notes to the Accounts
as at 31st March 2022**ACCOUNTING POLICIES (continued)****Taxation (continued)**

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Irrecoverable Value Added Tax

The company is subject to a partial restriction on the deductibility of value added tax on inputs calculated in accordance with a formula agreed with HM Revenue and Customs. Any amount of irrecoverable VAT is charged to administrative expenses.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended by management. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is provided on tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over their expected useful lives as follows:

Freehold premises	-	40 years straight line
Fixtures, fittings and equipment	-	4 years straight line
Computer equipment	-	3 to 7 years straight line

No depreciation is provided on freehold land. Depreciation on freehold property is provided on the proportion of the building currently used as office premises by the company; no depreciation is provided on the proportion of the building which is either rented to a third party or available for letting purposes. The valuation of the division between the proportion occupied by the company and the proportion used by a third party has been undertaken by an independent valuer based on the square footage of the building.

Assets costing less than £500 are written off in the year of purchase unless the expenditure is of the extent and permanence that it is deemed to be an addition to the company's assets.

Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

The methods and significant assumptions used to ascertain the fair value at the balance sheet date and fair value movement included in the profit for the year are as follows:

Properties are valued using RICS open market valuation on freehold basis, conducted by Hyde Harrington Chartered Surveyors.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Notes to the Accounts
as at 31st March 2022

ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Leases

Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

		2022	2021
		£	£
4	EMPLOYEES		
	The average monthly number of employees, including directors, during the year was as follows:		
	Number of employees	17 -----	19 -----
		2022	2021
		£	£
5	INTEREST RECEIVABLE		
	Bank deposit account interest	1,950 -----	2,674 -----

**Notes to the Accounts
as at 31st March 2022**

	2022	2021
	£	£
6 CORPORATION TAX		
Factors affecting corporation tax for the year:		
Standard rate of tax of 19% (2021: 19%) multiplied by gross interest received and non-mutual and property rental income received less related expenses	4,141	6,510

Corporation tax is payable on gross interest received and upon non-mutual income and rental income received less related expenses.

7 FIXED ASSETS	Freehold Premises	Computer Equipment	Other Equipment	Total
	£	£	£	£
Cost or Valuation				
As at 1 st April 2021	949,585	154,171	94,792	1,198,548
Additions	3,033	3,762	3,285	10,080
	-----	-----	-----	-----
As at 31 st March 2022	952,618	157,933	98,077	1,208,628
	-----	-----	-----	-----
Depreciation				
As at 1 st April 2021	30,411	129,283	88,642	248,336
Provided for during the year	6,674	11,012	4,242	21,928
	-----	-----	-----	-----
As at 31 st March 2022	37,085	140,295	92,884	270,264
	-----	-----	-----	-----
Net Book Value				
As at 31 st March 2022	915,533	17,638	5,193	938,364
	-----	-----	-----	-----
Net Book Value				
As at 31 st March 2021	919,174	24,888	6,150	950,212
	-----	-----	-----	-----

The freehold land and property was revalued according to a valuation of £905,000 provided in April 2017 by Hyde Harrington Chartered Surveyors, 91-93 Stricklandgate, Kendal, Cumbria LA9 4RA; this value has been adopted as deemed cost of the assets concerned under FRS 102.

The company currently obtains a full valuation every 5 years with an interim valuation every 3 years; under FRS 102 the company will perform revaluations with sufficient regularity such that the carrying amount does not differ materially from the fair value at the balance sheet date.

The land included within this valuation was valued at £175,000. Included within the property valuation is a proportion of the building classified as investment property at a valuation of £355,000 which is not depreciated as rental income is currently being received.

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold Premises
	£
At 31 March 2022:	
Aggregate cost	1,617,967
Aggregate depreciation	(798,768)

Net book value	819,199

Notes to the Accounts
as at 31st March 2022

8	DEBTORS	2022	2021
		£	£
	Trade debtors	71,068	98,612
	Prepayments and accrued income	15,068	84,270
		-----	-----
		86,136	182,882
		-----	-----

9	CREDITORS: Amounts falling due within one year	2022	2021
		£	£
	Trade creditors	23,292	18,479
	Corporation tax	4,141	6,510
	Other taxation and social security	34,020	39,045
	Accruals and deferred income	636,917	627,719
		-----	-----
		698,370	691,753
		-----	-----

10 FINANCIAL COMMITMENTS

The company has future operating lease commitments of £760 (2021: £3,416) in respect of office equipment. There were no capital commitments at the financial year end (2021: £Nil).

11 PENSION COSTS

The pension charge for the year in respect of current employees was £26,723 (2021: £29,865) payable to Royal London; an amount of £9,517 (2021: £9,465) was also paid in relation to pensions for former employees.

12 TRANSACTIONS WITH RELATED PARTIES AND DIRECTORS

In the normal course of its activities the Company enters into commercial transactions with various members of its Board's directors and entities in which these directors have an interest. These transactions are carried out at arm's length and at normal commercial rates and are considered by the Company to be immaterial for the purpose of the disclosure requirements of the Companies Act and the relevant Financial Reporting Standard.

13 COMPANY STATUS

The Company is incorporated under the Companies Act 2006 as a company limited by guarantee and therefore has no share capital. The liability of its members is limited to £1 each.

14 CONTINGENT LIABILITIES

During the year the company also acted as the accountable body for a number of programmes of a non-commercial nature having no effect upon the profitability of the company. If delivery of these programmes is not made in full by the company or any of its subcontractors there is a possibility of a financial claw back by the grant funder. The directors however, deem this a very remote possibility.