

Charity Registration No. 1048549

Company Registration No. 03067374 (England and Wales)

THE LYME TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

THE LYME TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr G Thomson Mr J J A Pearson Mr N H Ecclestone Mrs M Faichney Mr P A Lomas Mrs K A Smith Mr L Wilbraham
Secretary	Mr P A Lomas
Charity number	1048549
Company number	03067374
Registered office	37 London Road Newcastle-under-Lyme Staffordshire ST5 1LN
Auditor	Geens Limited 68 Liverpool Road Stoke on Trent Staffordshire
Chief Executive	Mrs S Tagliarino
Solicitors	Walters & Plaskitt Solicitors 124 Ford Green Road Stoke on Trent ST6 1PG
Bankers	Barclays Bank 118 High Street Newcastle-under-Lyme Staffordshire ST5 1PT

THE LYME TRUST

CONTENTS

	Page
Trustees' Report report	1 - 4
Independent auditor's report	5 - 7
Statement of financial activities	8
Balance sheet	9
Statement of cash flows	10
Notes to the financial statements	11 - 24

THE LYME TRUST

TRUSTEES' REPORT REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2021. The trustees have adopted the provisions 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) (effective 1 January 2019).

Objectives and activities

The objective of The Lyme Trust is to provide short and mid-term accommodation and support for people with mild to moderate mental health needs, and those at risk of homelessness.

The primary aim of The Lyme Trust is to provide a stable, safe and comfortable environment for all of its residents and to offer encouragement and assistance, via its team of project workers and support workers, to help them return to independent living.

The Lyme Trust support staff are experienced and highly trained to offer guidance and support but the final outcome is down to each resident's engagement and hard work. Many of the people who come to live at the Lyme Trust also have alcohol or substance dependency issues. Our aim is to develop the positive attitudes and self-motivation that will lead to independent living.

Achievements and performance

The Lyme Trust delivers against its objectives by investing in and leasing local residential property which it lets to its residents at low rent. The charity makes a housing benefit claim to Newcastle-Under-Lyme council on behalf of its residents to support rental payments. As at 31 March 2021, the Charity owned 7 properties and leased a further 13, for a total of 85 resident rooms. As at the same date, 95.6% of rooms were let to residents.

The Lyme Trust also provides a regular and continuing schedule of activities for its residents that are creative, therapeutic and social in nature. Engagement of residents in this manner contributes to their personal and social rehabilitation, and mental wellness, and is an important part of their journey to independent living.

The Lyme Trust provides ongoing training to its project workers and support workers to equip them with the tools to successfully support the residents and help them with current and historical issues.

The Charity measures its performance through key performance indicators. 'Planned moves' refers to residents moving into private accommodation and 'unplanned moves' relates to evictions or abandonment. The Charity records all eviction reasons, and these are discussed by the board of trustees monthly.

The board of trustees is pleased to report that for the year ended 31 March 2021, a total of 23 residents made a successful planned move to independent living within the community (13% of resident moves). A further 73 residents abandoned their accommodation during the year (41% of resident moves) and 82 were evicted (46% of resident moves).

Financial review

The COVID-19 pandemic has had a substantial impact on the operations of the trust, principally due to the management of infection and the availability of staff. However, the Charity has remained financially stable. During the year ended 31 March 2021, the Charity generated a surplus of £131,825 (2020: £139,804). A transfer of £28,500 was made on 3rd March 2021 from working capital to the property improvement reserve.

The principal source of funding for the Trust is via working capital generated from the housing benefit claim. The trust receives no government grants or other support. Property purchases are funded via the property improvement fund and bank mortgages. Two properties were purchased during the year and one further property was leased.

THE LYME TRUST

TRUSTEES' REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Detailed monthly financial reports are scrutinised by the Finance Sub Committee and a summary is presented to the Management Committee meeting of the trustees. The trustees and management committee meetings incur no costs.

For the year ended 31 March 2021, the Charity's assets and cash balances are in line with Charity Commission recommendations. The policy of the charity is that a minimum of three months operating costs shall be retained in reserves.

Plans for future periods

Due to the uncertainty surrounding the ongoing COVID-19 pandemic, the Charity is not planning on investing in further property in the next financial year due to potential staff shortages due to sickness. Instead, the Charity plans to maintain a strong level of working capital and to separately begin a property refurbishment programme across the existing property portfolio. This is intended to be supported via charitable donations from local businesses.

The current CEO of the Lyme Trust is due to retire in 2023 and, as such, the trustees will be assisting in the employment of a suitable replacement and ensuring an uninterrupted transition.

Structure, governance and management

Governing Document

The charity is a company limited by guarantee governed by its Memorandum and Articles of Association.

It is registered as a charity with the Charity Commission in England and Wales.

Trustees

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr G Thomson
Mr J J A Pearson
Mr N H Ecclestone
Mrs M Faichney
Mr P A Lomas
Mrs K A Smith
Mr L Wilbraham
Mr R Fazackerley
Mrs C Redman

(Resigned 5 December 2020)

(Resigned 5 December 2020)

Recruitment and appointment of new trustees

As set out in the Articles of Association, the trustees are elected at the annual general meeting and serve for a period of two years.

Co-opted members may be appointed throughout the year as required.

All members are circulated with invitations to nominate trustees prior to the AGM advising them of retiring trustees and requesting nominations for the AGM

Organisational structure

The board of trustees administers the charity. The board meets monthly and there is a Finance Sub Committee and they also meet on a monthly basis.

A chief executive is appointed by the trustees to manage the day to day operations of the charity.

To facilitate effective operations the Chief Executive has delegated authority for operational matters including finance, employment and welfare of the residents of the trust.

THE LYME TRUST

TRUSTEES' REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Induction and training of new trustees

New trustees are provided with an orientation pack to brief them on their legal obligations under charity and company law.

Trustees are encouraged to attend The Lyme Trust to meet key employees and obtain a better understanding of the work the charity carries out.

It must be understood that there is a strict regime of resident confidentiality in place which to some extent governs the type and amount of information that can be shared with trustees.

Remuneration policy

An annual pay review for all employed staff is completed with reference to inflation and industry comparatives, and is submitted sequentially to the Finance Sub-Committee, Board of Trustees and Newcastle-Under-Lyme council (with reference to the housing benefit claim) for approval.

Summary of The Lyme Trust Properties

Owned by The Lyme Trust

41 London Road	9 Bedrooms
52 London Road	4 Bedrooms
70 London Road	3 Bedrooms
108 London Road	8 Bedrooms
13 Webster Street	2 Bedrooms
39 Victoria Street	2 Bedrooms
23 Well Street	3 Bedrooms

Leased by The Lyme Trust

2 Grosvenor Road	4 Individual flats
4 Grosvenor Road	7 Bedrooms
10 Horton Street	2 Bedrooms
11 Well Street	3 Bedrooms
18 Hanover Street	2 Bedrooms
33 London Road	9 Bedrooms
35 London Road	1 Flat
37 London Road	-
39 London Road	6 Bedrooms
40 London Road	5 bedrooms
56 London Road	5 Bedrooms
80 London Road	3 Bedrooms
112 London Road	4 Bedrooms
70 Stubbs Gate	2 Bedrooms
72 Stubbs Gate	2 Bedrooms

All the above properties are based in Newcastle-Under-Lyme.

THE LYME TRUST

TRUSTEES' REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' Report responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the charities SORP
- Make judgments and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statement on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with The Charities Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are aware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of said information

Auditor

Geens Chartered Accountants were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

The Trustees' Report report was approved by the Board of Trustees.

Mr G Thomson

21 January 2022

THE LYME TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE LYME TRUST

Opinion

We have audited the financial statements of The Lyme Trust the charitable company for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' Report use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE LYME TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE LYME TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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' Report responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- we enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, whether there was any known, suspected or alleged fraud. the charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: the Charity SORP. FRS 102, Charities Act 2011. Companies Act 2006.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

THE LYME TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE LYME TRUST

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates.
- Assessing the extent of compliance, or lack of, with relevant laws and regulations.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted and restricted funds.
- Obtaining third party confirmation of material bank balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as charity board minutes for discussions of irregularities including fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Geens Limited

21 January 2022

**Chartered Accountants
Statutory Auditor**

68 Liverpool Road
Stoke on Trent
Staffordshire
ST4 1BG

Geens Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE LYME TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	57,261	20,850	78,111	16,948	37,408	54,356
Charitable activities	4	1,183,015	-	1,183,015	1,185,817	-	1,185,817
Investments	5	182	-	182	116	-	116
Other income	6	-	-	-	60	-	60
Total income		1,240,458	20,850	1,261,308	1,202,941	37,408	1,240,349
<u>Expenditure on:</u>							
Charitable activities	7	1,094,115	20,850	1,114,965	1,063,137	37,408	1,100,545
Net income for the year/ Net movement in funds		146,343	-	146,343	139,804	-	139,804
Fund balances at 1 April 2020		634,053	-	634,053	494,249	-	494,249
Fund balances at 31 March 2021		780,396	-	780,396	634,053	-	634,053

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE LYME TRUST

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		845,352		680,694
Current assets					
Debtors	12	64,202		55,380	
Cash at bank and in hand		333,938		276,321	
		<u>398,140</u>		<u>331,701</u>	
Creditors: amounts falling due within one year	14	<u>(82,579)</u>		<u>(107,726)</u>	
Net current assets			315,561		223,975
Total assets less current liabilities			1,160,913		904,669
Creditors: amounts falling due after more than one year	15		(380,517)		(270,616)
Net assets			<u>780,396</u>		<u>634,053</u>
Income funds					
Unrestricted funds			780,396		634,053
			<u>780,396</u>		<u>634,053</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 21 January 2022

Mr J J A Pearson
Trustee

Company Registration No. 03067374

THE LYME TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	20		156,732		162,739
Investing activities					
Purchase of tangible fixed assets		(203,058)		(18,759)	
Investment income received		182		116	
Net cash used in investing activities			(202,876)		(18,643)
Financing activities					
Proceeds of new bank loans		124,600		-	
Repayment of bank loans		(20,839)		(11,908)	
Net cash generated from/(used in) financing activities			103,761		(11,908)
Net increase in cash and cash equivalents			57,617		132,188
Cash and cash equivalents at beginning of year			276,321		144,133
Cash and cash equivalents at end of year			333,938		276,321

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention.

1.2 Going concern

Despite the ongoing COVID 19 pandemic, at the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Rental income is recognised on an accruals basis.

Cash donations are recognised on receipt.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers have not been included.

Income from grants, are recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from investments is included in the year in which it is receivable.

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% Straight Line
Leasehold improvements	5% Straight Line
Fixtures and fittings	25% Reducing Balance
Computers	25% Straight Line
Motor vehicles	25% Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2021*

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of assets. See note 11 for the carrying amount of property, plant and equipment, and note 1.6 for the useful economic lives of each category of asset.

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

3 Donations and legacies	Unrestricted funds		Restricted funds		Total		Unrestricted funds		Restricted funds		Total	
	2021	2021	2021	2021	2021	2021	2020	2020	2020	2020	2020	2020
	£	£	£	£	£	£	£	£	£	£	£	£
Donations and gifts	7,748	-	-	-	7,748	16,948	-	-	-	-	16,948	-
Grants	49,513	20,850	20,850	20,850	70,363	-	-	37,408	37,408	37,408	37,408	37,408
	57,261	20,850	20,850	20,850	78,111	16,948	16,948	37,408	37,408	37,408	54,356	54,356
Grants receivable for core activities												
Lloyds Bank Foundation	-	16,200	16,200	16,200	16,200	-	-	19,440	19,440	19,440	19,440	19,440
Ardonagh Community Trust	-	-	-	-	-	-	-	4,897	4,897	4,897	4,897	4,897
The National Lottery Community Fund	-	4,400	4,400	4,400	4,400	-	-	4,000	4,000	4,000	4,000	4,000
Computershare	-	-	-	-	-	-	-	4,750	4,750	4,750	4,750	4,750
HMRC Job Retention Scheme Grant	24,513	-	-	-	24,513	-	-	-	-	-	-	-
Newcastle Borough Council Grant	25,000	-	-	-	25,000	-	-	-	-	-	-	-
Other	-	250	250	250	250	-	-	4,321	4,321	4,321	4,321	4,321
	49,513	20,850	20,850	20,850	70,363	-	-	37,408	37,408	37,408	37,408	37,408

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

	Income from charitable activities 2021 £	Income from charitable activities 2020 £
Shop Takings	2,853	16,499
Housing Benefits & Rents	1,180,162	1,169,318
	<u>1,183,015</u>	<u>1,185,817</u>

5 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Bank deposit interest	182	116
	<u>182</u>	<u>116</u>

6 Other income

	Total 2021 £	Unrestricted funds 2020 £
Other income	-	60
	<u>-</u>	<u>60</u>

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Charitable activities

	Resident housing and support 2021 £	Lyme treasures shop 2021 £	Total 2021 £	Resident housing and support 2020 £	Lyme treasures shop 2020 £	Total 2020 £
Staff costs	338,358	-	338,358	278,662	5,722	284,384
Depreciation and impairment	38,400	-	38,400	33,563	-	33,563
Rent, Rates & Water	161,268	9,333	170,601	156,027	19,728	175,755
Light & Heat	78,593	-	78,593	92,295	-	92,295
Insurance	18,279	-	18,279	15,388	511	15,899
Professional Fees	20,427	-	20,427	12,565	-	12,565
Telephone	9,092	-	9,092	8,912	-	8,912
Printing, Postage & Stationery	13,386	-	13,386	23,237	-	23,237
Advertising	7,409	-	7,409	23,123	-	23,123
Healthcare	1,046	-	1,046	2,784	-	2,784
Motor & Traveling	16,038	-	16,038	15,967	-	15,967
Resident's social activities	1,083	-	1,083	33,398	-	33,398
Training	4,787	-	4,787	14,100	-	14,100
Health and safety	20,037	-	20,037	4,728	-	4,728
Repairs & Maintenance	65,770	-	65,770	68,257	-	68,257
Bad debt write off	31,977	-	31,977	26,435	-	26,435
Other charitable expenditure	34,369	5,128	39,497	35,832	4,431	40,263
	860,319	14,461	874,780	845,273	30,392	875,665
Share of support costs (see note 8)	233,045	-	233,045	216,502	-	216,502
Share of governance costs (see note 8)	7,140	-	7,140	8,378	-	8,378
	1,100,504	14,461	1,114,965	1,070,153	30,392	1,100,545
Analysis by fund						
Unrestricted funds	1,079,654	14,461	1,094,115	1,032,745	30,392	1,063,137
Restricted funds	20,850	-	20,850	37,408	-	37,408
	1,100,504	14,461	1,114,965	1,070,153	30,392	1,100,545

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Support costs	Support Governance costs £	Support Governance costs £	2021 £	Support costs £	Governance costs £	2020 £	Basis of allocation
Staff costs	217,476	-	217,476	198,449	-	198,449	The Lyme Treasures Share of Expenditure
Interest payable and bank charges	15,569	-	15,569	18,053	-	18,053	
Audit and accountancy fees	-	7,140	7,140	-	8,378	8,378	Governance
	233,045	7,140	240,185	216,502	8,378	224,880	
Analysed between							
Charitable activities	233,045	7,140	240,185	216,502	8,378	224,880	

Governance costs includes amounts payable to the auditors of £7,140 (2020- £8,378) for audit & accountancy fees.

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

9 Trustees

None of the trustees (or any persons connected with them) were reimbursed any expenses during the year ended 31st March 2021 (2020 - £nil).

In the prior year, one staff trustee, Mrs K Harrison received remuneration in respect of services she provided while undertaking her role as an employee under a contract of employment and in respect of her role as staff trustee:

Remuneration £nil (2020 - £17,043).

Employer's pension contributions - £nil (2020 - £608)

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Provision of accommodation and support	19	18
Management and administration	9	9
	<hr/>	<hr/>
Total	28	27
	<hr/>	<hr/>

Employment costs	2021 £	2020 £
Wages and salaries	293,969	243,450
Social security costs	32,294	29,046
Other pension costs	12,095	11,888
	<hr/>	<hr/>
	338,358	284,384
	<hr/>	<hr/>

There were no employees whose annual remuneration was more than £60,000.

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

11 Tangible fixed assets	Freehold land and buildings	Leasehold improvements	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2020	692,438	80,482	167,394	63,329	11,500	1,015,143
Additions	188,018	3,474	7,560	4,006	-	203,058
At 31 March 2021	880,456	83,956	174,954	67,335	11,500	1,218,201
Depreciation and impairment						
At 1 April 2020	111,803	32,290	139,657	40,818	9,881	334,449
Depreciation charged in the year	17,609	3,211	8,825	8,350	405	38,400
At 31 March 2021	129,412	35,501	148,482	49,168	10,286	372,849
Carrying amount						
At 31 March 2021	751,044	48,455	26,472	18,167	1,214	845,352
At 31 March 2020	580,634	48,192	27,738	22,511	1,619	680,694

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	34,863	17,819
Other debtors	13,321	1,897
Prepayments and accrued income	16,018	35,664
	<u>64,202</u>	<u>55,380</u>

13 Loans and overdrafts

	2021 £	2020 £
Bank loans	<u>403,436</u>	<u>299,675</u>
Payable within one year	22,919	29,059
Payable after one year	<u>380,517</u>	<u>270,616</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>279,772</u>	<u>154,381</u>

Bank loans are secured by a legal charge on the freehold properties to which the loan relates. Interest is charged on the bank loans at a variable rate of interest and the loans are repayable within 15 years.

14 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	13	22,919	29,059
Other taxation and social security		8,820	7,818
Trade creditors		35,325	30,559
Other creditors		8,123	14,817
Accruals and deferred income		7,392	25,473
		<u>82,579</u>	<u>107,726</u>

15 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	13	<u>380,517</u>	<u>270,616</u>

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds		
	Incoming resources	Resources expended	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 31 March 2021
	£	£	£	£	£	£
Lloyds Bank Foundation	19,440	(19,440)	-	16,200	(16,200)	-
The National Lottery Community Fund	4,000	(4,000)	-	4,400	(4,400)	-
Ardonagh Community Trust	4,897	(4,897)	-	-	-	-
Computershare	4,750	(4,750)	-	-	-	-
Other	4,321	(4,321)	-	250	(250)	-
	<u>37,408</u>	<u>(37,408)</u>	<u>-</u>	<u>20,850</u>	<u>(20,850)</u>	<u>-</u>

Lloyds Bank Foundation

A grant to fund the salary of a floating support worker as part of a three year project which commenced in January 2018 and finished in January 2021.

The National Lottery Community Fund

A grant received in connection with the Outreach project.

Ardonagh Community Trust

Funds to enhance the drop in services at Lyme Treasures.

Computershare

A grant to fund 'move on' packs.

Other

Other funds received for specific purposes.

17 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	845,352	-	845,352	680,694	-	680,694
Current assets/ (liabilities)	315,561	-	315,561	223,975	-	223,975
Long term liabilities	(380,517)	-	(380,517)	(270,616)	-	(270,616)
	<u>780,396</u>	<u>-</u>	<u>780,396</u>	<u>634,053</u>	<u>-</u>	<u>634,053</u>

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

18 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	36,000	19,200
Between two and five years	105,000	63,000
	<u>141,000</u>	<u>82,200</u>

19 Related party transactions

Remuneration of key management personnel

The key management personnel of The Lyme Trust comprises the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel is as follows:

	2021 £	2020 £
Aggregate compensation	<u>156,608</u>	<u>127,000</u>

Transactions with related parties

During the year the charity entered into the following transactions with related parties.

Belgrave Property Services Limited - rental expenditure paid in the year was £50,565 (2020 - £51,380). This is a company for which trustees Mr R. Fazackerley and Mrs C. Redman are members.

Lymebrook Media Limited - PR services paid in the year was £7,639 (2020 - £21,014). This is a company owned by trustees Mr L. Wilbraham and Mr G. Thomson.

Mr N H Ecclestone, a trustee, received commission from utility providers totalling £5,122 (2020: £Nil) during the year.

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

20	Cash generated from operations		2021	2020
			£	£
	Surplus for the year		146,343	139,804
	Adjustments for:			
	Investment income recognised in statement of financial activities		(182)	(116)
	Depreciation and impairment of tangible fixed assets		38,400	33,563
	Movements in working capital:			
	(Increase) in debtors		(8,822)	(2,701)
	(Decrease) in creditors		(19,007)	(7,811)
	Cash generated from operations		156,732	162,739
21	Analysis of changes in net (debt)/funds			
		At 1 April 2020	Cash flows	At 31 March 2021
		£	£	£
	Cash at bank and in hand	276,321	57,617	333,938
	Loans falling due within one year	(29,059)	6,140	(22,919)
	Loans falling due after more than one year	(270,616)	(109,901)	(380,517)
		<u>(23,354)</u>	<u>(46,144)</u>	<u>(69,498)</u>