

Charity registration number 1048549

Company registration number 03067374 (England and Wales)

THE LYME TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

THE LYME TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr G Thomson Mr J J A Pearson 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

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THE LYME TRUST

TRUSTEES' REPORT REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

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 2022. 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).

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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 Lyme Trust ("the Trust") provides safe, supported accommodation and life skills to people with mild to moderate mental health conditions with the aims of a return to independent living and the prevention of homelessness.

The Trust delivers against its objectives through the provision of accommodation to residents at low rent via the Trust's portfolio of owned and leased properties, together with the ongoing support of project workers.

The Trust's support staff are experienced and highly trained to offer guidance and support, but the final outcome for each resident is down to their own engagement and hard work.

Many of the people who come to live at the Lyme Trust also have alcohol or substance dependency issues, for which the Trust employs a dedicated drug and alcohol support worker to signpost the best support.

We aim to develop positive attitudes and self-motivation that will lead to independent living.

Achievements and performance

The 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 2022, the Charity owned 7 properties and leased a further 13, for a total of 85 resident rooms. During the financial year, the Trust achieved an average occupancy rate of 94%.

The 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, mental wellness, and is an integral part of their journey to independent living.

The 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 2022, a total of 27 (2021: 23) residents made a successful planned move to independent living within the community (14% of resident moves). A further 75 (2021: 73) residents abandoned their accommodation during the year (39% of resident moves) and 92 (2021:82) were evicted (47% of resident moves).

THE LYME TRUST

TRUSTEES' REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Financial review

During the year, the COVID-19 pandemic still had a substantial impact on the operations of the trust, principally due to the management of infection and the availability of staff, although these issues are easing in line with current infection rates and vaccinations. The Charity has remained financially stable during the year and is considered to be a going concern. During the year ended 31 March 2022, the Charity generated a surplus of £41,402 (2021: £146,343).

The principal source of funding for the Trust is via working capital generated from the housing benefit claim. The trust receives no government grants but applies for community grants from private organisations when available. Property purchases are funded via the property investment fund and bank mortgages, although the Trust did not make any acquisitions of property during the year.

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 2022, the Charity's assets and cash balances are in line with Charity Commission recommendations.

Plans for future periods

The Trust plans to continue its property refurbishment programme across the existing property portfolio. This is intended to be supported via charitable donations from local businesses.

The Trust will continue to look for suitable properties for acquisition.

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

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

(Resigned 28 June 2022)

Mrs M Faichney

Mr P A Lomas

Mrs K A Smith

Mr L Wilbraham

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.

THE LYME TRUST

TRUSTEES' REPORT REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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.

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. Trustees are required to sign a confidentiality statement which governs the types of information that can be disclosed to the 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
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 2022

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

In accordance with the company's articles, a resolution proposing that Geens Limited be reappointed as auditor of the company will be put at a General Meeting.

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

Mr J J A Pearson
Trustee

13 December 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 2022 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 2022 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.

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.

THE LYME TRUST

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

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.

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 on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

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.

THE LYME TRUST

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

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 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 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

13 December 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 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<u>Income from:</u>					
Donations and legacies	3	17,413	57,261	20,850	78,111
Charitable activities	4	1,153,490	1,183,015	-	1,183,015
Investments	5	205	182	-	182
Total income		1,171,108	1,240,458	20,850	1,261,308
<u>Expenditure on:</u>					
Charitable activities	6	1,127,573	1,094,115	20,850	1,114,965
Other	10	2,133	-	-	-
Total expenditure		1,129,706	1,094,115	20,850	1,114,965
Net income for the year/ Net movement in funds		41,402	146,343	-	146,343
Fund balances at 1 April 2021		780,396	634,053	-	634,053
Fund balances at 31 March 2022		821,798	780,396	-	780,396

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 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		825,163		845,352
Current assets					
Debtors	12	35,869		64,202	
Cash at bank and in hand		401,926		333,938	
		437,795		398,140	
Creditors: amounts falling due within one year	14	(82,542)		(82,579)	
Net current assets			355,253		315,561
Total assets less current liabilities			1,180,416		1,160,913
Creditors: amounts falling due after more than one year	15		(358,618)		(380,517)
Net assets			821,798		780,396
Income funds					
Unrestricted funds			821,798		780,396
			821,798		780,396

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 2022, 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 13 December 2022

Mr J J A Pearson
Trustee

Company registration number 03067374

THE LYME TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	20		112,283		156,732
Investing activities					
Purchase of tangible fixed assets		(21,585)		(203,058)	
Investment income received		205		182	
Net cash used in investing activities			(21,380)		(202,876)
Financing activities					
Proceeds from new bank loans		-		124,600	
Repayment of bank loans		(22,915)		(20,839)	
Net cash (used in)/generated from financing activities			(22,915)		103,761
Net increase in cash and cash equivalents			67,988		57,617
Cash and cash equivalents at beginning of year			333,938		276,321
Cash and cash equivalents at end of year			401,926		333,938

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

The Lyme Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 37 London Road, Newcastle-under-Lyme, Staffordshire, ST5 1LN.

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

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 2022

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.

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.

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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 2022

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.

Impairment of land and buildings

Factors taken into consideration in assessing if there are indicators of impairment include the maintenance and condition of the properties, local market trends and property rental yields.

Going concern assessment

The main judgement is assessment of the charity's cash reserves and whether they were considered sufficient to meet operational commitments as they fall due.

Rent arrears balances

Factors taken in to consideration when assessing the recoverability of rent arrears and the provision for bad debts include the aging of the arrears and the make up of the debt. Old rent balances and arrears owed by former tenants are less likely to be recovered than more recent debts owed by current tenants.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2022 £	2021 £	2021 £	2021 £
Donations and gifts	15,413	7,748	-	7,748
Grants	2,000	49,513	20,850	70,363
	<u>17,413</u>	<u>57,261</u>	<u>20,850</u>	<u>78,111</u>

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and legacies (Continued)

Grants receivable for core activities

Lloyds Bank Foundation	-	-	16,200	16,200
The National Lottery Community Fund	-	-	4,400	4,400
HMRC Job Retention Scheme Grant	-	24,513	-	24,513
Newcastle Borough Council Grant	-	25,000	-	25,000
Other	2,000	-	250	250
	<u>2,000</u>	<u>49,513</u>	<u>20,850</u>	<u>70,363</u>

4 Charitable activities

	Income from charitable activities 2022 £	Income from charitable activities 2021 £
Shop Takings	-	2,853
Housing Benefits & Rents	1,153,490	1,180,162
	<u>1,153,490</u>	<u>1,183,015</u>

5 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Bank deposit interest	<u>205</u>	<u>182</u>

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

6 Charitable activities

	Resident housing and support 2022 £	Resident housing and support 2021 £	Lyme treasures shop 2021 £	Total 2021 £
Staff costs	299,446	338,358	-	338,358
Depreciation and impairment	39,643	38,400	-	38,400
Rent, Rates & Water	163,352	161,268	9,333	170,601
Light & Heat	61,881	78,593	-	78,593
Insurance	13,698	18,279	-	18,279
Professional Fees	19,738	20,427	-	20,427
Telephone	7,179	9,092	-	9,092
Printing, Postage & Stationery	14,839	13,386	-	13,386
Advertising	12,923	7,409	-	7,409
Healthcare	1,749	1,046	-	1,046
Motor & Traveling	11,436	16,038	-	16,038
Resident's social activities	15,740	1,083	-	1,083
Training	11,783	4,787	-	4,787
Health and safety	13,328	20,037	-	20,037
Repairs & Maintenance	118,191	65,770	-	65,770
Bad debt write off	32,924	31,977	-	31,977
Other charitable expenditure	28,156	34,369	5,128	39,497
	866,006	860,319	14,461	874,780
Share of support costs (see note 7)	255,497	233,045	-	233,045
Share of governance costs (see note 7)	6,070	7,140	-	7,140
	1,127,573	1,100,504	14,461	1,114,965
Analysis by fund				
Unrestricted funds	1,127,573	1,079,654	14,461	1,094,115
Restricted funds	-	20,850	-	20,850

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

7 Support costs	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £	Basis of allocation
Staff costs	243,005	-	243,005	217,476	-	217,476	
Interest payable and bank charges	12,492	-	12,492	15,569	-	15,569	
Audit fees	-	6,070	6,070	-	7,140	7,140	Governance
	255,497	6,070	261,567	233,045	7,140	240,185	
Analysed between							
Charitable activities	255,497	6,070	261,567	233,045	7,140	240,185	

Governance costs includes amounts payable to the auditors of £6,070 (2021- £7,140) for audit & accountancy fees.

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

8 Trustees

The trustees did not have any expenses reimbursed during the year (2021 - £Nil).

The trustees neither received or waived any remuneration during the year (2021 - £Nil).

The charity has received no donations with conditions from the trustees during the year (2021 - £Nil)

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Provision of accommodation and support	21	19
Management and administration	7	9
Total	28	28

Employment costs	2022 £	2021 £
Wages and salaries	499,451	511,445
Social security costs	30,821	32,294
Other pension costs	12,179	12,095
	542,451	555,834

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

10 Other

	Unrestricted funds	Total
	2022	£ 2021
Net loss on disposal of tangible fixed assets	2,133	-

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

11 Tangible fixed assets								
	Freehold land and buildings	Leasehold improvements	Fixtures and fittings	Computers		Motor vehicles		Total
	£	£	£	£	£	£	£	£
Cost								
At 1 April 2021	880,457	83,956	174,954	67,335		11,500		1,218,202
Additions	-	8,730	6,070	6,785		-		21,585
Disposals	-	-	(11,170)	-		(11,500)		(22,670)
At 31 March 2022	880,457	92,686	169,854	74,120		-		1,217,117
Depreciation and impairment								
At 1 April 2021	129,412	35,938	148,482	49,168		10,286		373,286
Depreciation charged in the year	17,609	3,647	7,903	10,046		-		39,205
Eliminated in respect of disposals	-	-	(10,251)	-		(10,286)		(20,537)
At 31 March 2022	147,021	39,585	146,134	59,214		-		391,954
Carrying amount								
At 31 March 2022	733,436	53,101	23,720	14,906		-		825,163
At 31 March 2021	751,044	48,455	26,472	18,167		1,214		845,352

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

12 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	26,946	34,863
Other debtors	1,566	13,321
Prepayments and accrued income	7,357	16,018
	<u>35,869</u>	<u>64,202</u>

13 Loans and overdrafts

	2022 £	2021 £
Bank loans	<u>380,521</u>	<u>403,436</u>
Payable within one year	21,903	22,919
Payable after one year	<u>358,618</u>	<u>380,517</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>262,635</u>	<u>279,772</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	2022 £	2021 £
Bank loans	13	21,903	22,919
Other taxation and social security		14,068	8,820
Trade creditors		24,183	35,325
Other creditors		11,849	8,123
Accruals and deferred income		10,539	7,392
		<u>82,542</u>	<u>82,579</u>

15 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	13	<u>358,618</u>	<u>380,517</u>

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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 2021	Incoming resources	Balance at 31 March 2022
	£	£	£	£	£
Lloyds Bank Foundation	16,200	(16,200)	-	-	-
The National Lottery Community Fund	4,400	(4,400)	-	-	-
Other	250	(250)	-	-	-
	<u>20,850</u>	<u>(20,850)</u>	<u>-</u>	<u>-</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.

Other

Other funds received for specific purposes.

17 Analysis of net assets between funds

	Unrestricted funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:				
Tangible assets	825,163	845,352	-	845,352
Current assets/(liabilities)	355,253	315,561	-	315,561
Long term liabilities	(358,618)	(380,517)	-	(380,517)
	<u>821,798</u>	<u>780,396</u>	<u>-</u>	<u>780,396</u>

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:

	2022 £	2021 £
Within one year	33,600	36,000
Between two and five years	71,400	105,000
	<u>105,000</u>	<u>141,000</u>

THE LYME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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:

	2022 £	2021 £
Aggregate compensation	178,234	156,608

Transactions with related parties

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

Lymebrook Media Limited - PR services paid in the year was £11,436 (2021 - £7,639).
This is a company owned by trustees Mr L. Wilbraham and Mr G. Thomson.

20 Cash generated from operations

	2022 £	2021 £
Surplus for the year	41,402	146,343
Adjustments for:		
Investment income recognised in statement of financial activities	(205)	(182)
Loss on disposal of tangible fixed assets	2,133	-
Depreciation and impairment of tangible fixed assets	39,643	38,400
Movements in working capital:		
Decrease/(increase) in debtors	28,333	(8,822)
Increase/(decrease) in creditors	977	(19,007)
Cash generated from operations	112,283	156,732

21 Analysis of changes in net funds/(debt)

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	333,938	67,988	401,926
Loans falling due within one year	(22,919)	1,016	(21,903)
Loans falling due after more than one year	(380,517)	21,899	(358,618)
	(69,498)	90,903	21,405