

REGISTERED COMPANY NUMBER: 05233187 (England and Wales)
REGISTERED CHARITY NUMBER: 1106526

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
FOR
LYNEMOUTH DAY CENTRE LIMITED

Greaves Grindle
Chartered Accountants
Victoria House
Bondgate Within
Alnwick
Northumberland
NE66 1TA

LYNEMOUTH DAY CENTRE LIMITED
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FOR THE YEAR ENDED 31 MARCH 2021

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LYNEMOUTH DAY CENTRE LIMITED (REGISTERED NUMBER: 05233187)

**REPORT OF THE TRUSTEES
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 31 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).

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution & Objects

Lynemouth Day Centre Limited began trading on 1st April 2006, is registered at Companies House No: 5233187, and is registered with the Charities Commission No: 1106526.

The objects of the charity are to promote the relief of the elderly by providing, maintaining and managing a Day Centre in Lynemouth for the purpose of providing facilities for recreation and other leisure time occupations and other lawful charitable purposes in the interest of social welfare with the object of improving their conditions of life.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objects and in planning future activities.

Organisation

The Directors form the Executive Committee which meets regularly. The day-to-day management decisions are made by the Day Centre Manager with input from the Chairman as necessary. All decisions are ratified by the committee at the following executive meeting, and/ or by email correspondence. The Directors are elected or re-appointed each year by the members of Lynemouth Day Centre at the AGM.

This report includes the Covid-19 lockdown period which was clearly an exceptional event. The Directors made all possible plans to mitigate the impact of the pandemic and continued to communicate via electronic means.

Appointment Of New Trustees

New trustees are voted on at the AGM. However, in accordance with the Articles of Association, the trustees may appoint a person who is willing to act as a trustee either to fill a vacancy or as an additional trustee provided that the appointment does not cause the number of trustees to exceed the number fixed by or in accordance with the articles as the maximum number of trustees.

A trustee so appointed shall hold office only until the next following Annual General Meeting.

Activities

Due to the national restrictions introduced in response to the Covid-19 pandemic, the activities of the Day Centre have been forced to evolve quickly to meet the needs of our vulnerable client group. Despite the Centre being closed for a period, the services offered to clients continued to be provided remotely. The welfare of clients and staff members has been the top priority. Various adaptations have been made to the building to ensure a Covid-safe environment and on-site services were able to resume cautiously when government guidelines allowed.

Plans For Future Periods

Providing high quality services in a safe environment is a key priority for the Directors and management. A refurbishment plan for the building is in place and work is being conducted in a phased manner; grant funding is being sought for each of these phases. The building is being utilised by the wider community, such as hosting the local library.

The long-term consequences of the Covid-19 pandemic is yet unknown; it has brought about major challenges to the care sector. The Directors continue to monitor developments closely and liaise with the County Council. Measures have been put in place to adapt the service to meet the needs of our clients and to monitor their welfare.

To help reduce the impact of isolation, plans were quickly developed to support, as far as possible, existing clients in their own homes. It is our intention to serve the wider community; meals and other support has been provided throughout the pandemic.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

Finance

The financial statements are attached to this report.

Social Services funding continues to support the running of the Day Centre. The previous "block contract" with the County Council finished at the end of March 2019 and has been replaced by a daily rate charge for booked places and a further rate charge for lunch and transport provided. Since the year end, a total of £30,804 in grant funding has been received towards building refurbishment, transport running costs and a specific dementia project. The Executive Committee is mindful of the risks associated with social care funding. The Day Centre management is investigating diversification, and alternative funding sources, to mitigate these risks. The Directors wish to thank the members who through their own efforts raise significant funds amongst themselves for the centre.

A thorough financial risk assessment has been conducted to adapt to the operational challenges caused by the pandemic.

Staff

We are privileged to be served by staff who are dedicated to their work, caring for our members and offering the highest standards of service. The management team consists of Vikki Thompson and Lynsey Ditchburn. Training has continued with staff members undertaking various qualifications. Placements are often provided for young people from a number of external education establishments, when possible.

The Directors are committed to supporting the staff through the pandemic.

Reserves Policy

The Executive Committee has an obligation to safeguard the interests of its clients, the majority of whom are vulnerable adults. Therefore, we aim to keep six months' running costs in reserve in light of the risks to the County Council funding which makes up most of our income. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be 6 months of the expenditure. Budgeted expenditure for 2021/22 is expected to be in the region of £300,000 and therefore the target is £150,000 in general funds. The reserves are needed to meet the working capital requirements of the charity and the Executive Committee are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding.

Whilst unrestricted funds stand at an increased figure of £191,433 up from £165,025, an increased designation of £49,476 has been set aside for staff redundancies. The present level of unrestricted net current assets available to the charity is £160,796. After accounting for the designated redundancy amount, this leaves £111,320 working capital for the general reserve. This falls significantly short of the target level. Although the strategy is to continue to build reserves through planned operating surpluses, the Executive Committee is well aware that it is unlikely that the target range can be reached for at least 5 years. In the short term the Executive Committee has also considered the extent to which existing activities and expenditure could be curtailed, should such circumstances arise.

Risk Assessment

The Directors have examined the major strategic, business and operational risks, which the charity faces, and confirm that systems have been established to engage regular reports to be produced so that the necessary steps may be taken to lessen these risks.

Reporting Accountants

A resolution proposing that Greaves Grindle be re-appointed as reporting accountants of the charity will be put to the Annual General Meeting.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

REFERENCE AND ADMINISTRATIVE DETAILS

Directors

Mr M D Burdon (Chairman)
Mr W Tarbit (Secretary)
Mr E C Peat (Treasurer)
Mrs G Thompson MBE
Mr J Tubby
Mr T Maloney

Manager

Mrs V Thompson

Address

Albion Terrace
Lynemouth
Morpeth
Northumberland
NE61 5SY

Company Number

5233187

Charity Number

1106526

Reporting Accountants

Greaves Grindle
Victoria House
Bondgate Within
Alnwick
Northumberland
NE66 1TA

Bankers

Barclays Bank PLC
Northumbria House
Cramlington
Northumberland
NE23 6QP

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

Approved by order of the board of trustees on 13 January 2022 and signed on its behalf by:

M D Burdon - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
LYNEMOUTH DAY CENTRE LIMITED**

Independent examiner's report to the trustees of Lynemouth Day Centre Limited ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of Institute of Chartered Accountants in England and Wales which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Jane Harvey F.C.A.
Institute of Chartered Accountants in England and Wales
Greaves Grindle
Chartered Accountants
Victoria House
Bondgate Within
Alnwick
Northumberland
NE66 1TA

28 March 2022

LYNEMOUTH DAY CENTRE LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		26,046	7,388	33,434	34,076
Charitable activities					
Day Centre activities		240,816	-	240,816	261,416
Other trading activities	2	17,007	-	17,007	31,015
Investment income	3	35	-	35	156
Total		283,904	7,388	291,292	326,663
EXPENDITURE ON					
Raising funds		22,165	-	22,165	27,203
Charitable activities					
Day Centre activities		235,331	-	235,331	282,349
Total		257,496	-	257,496	309,552
NET INCOME		26,408	7,388	33,796	17,111
RECONCILIATION OF FUNDS					
Total funds brought forward		165,025	7,030	172,055	154,944
TOTAL FUNDS CARRIED FORWARD		191,433	14,418	205,851	172,055

The notes form part of these financial statements

LYNEMOUTH DAY CENTRE LIMITED (REGISTERED NUMBER: 05233187)

**BALANCE SHEET
31 MARCH 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	8	30,637	-	30,637	31,280
CURRENT ASSETS					
Debtors	9	31,703	-	31,703	26,460
Cash at bank and in hand		133,580	14,418	147,998	119,075
		165,283	14,418	179,701	145,535
CREDITORS					
Amounts falling due within one year	10	(4,487)	-	(4,487)	(4,760)
NET CURRENT ASSETS		160,796	14,418	175,214	140,775
TOTAL ASSETS LESS CURRENT LIABILITIES		191,433	14,418	205,851	172,055
NET ASSETS		191,433	14,418	205,851	172,055
FUNDS	11				
Unrestricted funds				191,433	165,025
Restricted funds				14,418	7,030
TOTAL FUNDS				205,851	172,055

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

LYNEMOUTH DAY CENTRE LIMITED (REGISTERED NUMBER: 05233187)

BALANCE SHEET - continued
31 MARCH 2021

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

The financial statements were approved by the Board of Trustees and authorised for issue on 13 January 2022 and were signed on its behalf by:

M D Burdon - Trustee

G Thompson - Trustee

The notes form part of these financial statements

LYNEMOUTH DAY CENTRE LIMITED

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property - 2% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Basic financial instruments

The charity accounts for basic financial instruments on initial recognition as per paragraph 11.7 Charities SORP (FRS 102). Subsequent measurement is as per paragraphs 11.17 to 11.19, Charities SORP (FRS 102).

Debtors

Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

Creditors

The charity has creditors which are measured at settlement amounts less any trade discount.

LYNEMOUTH DAY CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

2. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Raffle	100	6,919
External catering	15,291	14,347
Support service	1,616	9,749
	<u>17,007</u>	<u>31,015</u>

3. INVESTMENT INCOME

	2021	2020
	£	£
Interest receivable	35	156
	<u>35</u>	<u>156</u>

4. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Independent examiner's fees	1,680	1,718
Depreciation - owned assets	643	643
	<u>2,323</u>	<u>2,361</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

6. STAFF COSTS

The average monthly number of employees during the year was as follows:

	2021	2020
	10	12
Charitable activities	2	2
Management and administration	12	14
	<u>22</u>	<u>26</u>

No employees received emoluments in excess of £60,000.

The aggregate remuneration of the management team in the year amounted to £45,573.

LYNEMOUTH DAY CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	272	33,804	34,076
Charitable activities			
Day Centre activities	261,416	-	261,416
Other trading activities	31,015	-	31,015
Investment income	156	-	156
Total	292,859	33,804	326,663
EXPENDITURE ON			
Raising funds	24,353	2,850	27,203
Charitable activities			
Day Centre activities	257,925	24,424	282,349
Total	282,278	27,274	309,552
NET INCOME	10,581	6,530	17,111
RECONCILIATION OF FUNDS			
Total funds brought forward	154,444	500	154,944
TOTAL FUNDS CARRIED FORWARD	165,025	7,030	172,055

LYNEMOUTH DAY CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

8. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 April 2020 and 31 March 2021	35,138
DEPRECIATION	
At 1 April 2020	3,858
Charge for year	643
At 31 March 2021	4,501
NET BOOK VALUE	
At 31 March 2021	30,637
At 31 March 2020	31,280

Included in cost or valuation of land and buildings is freehold land of £3,000 (2020 - £3,000) which is not depreciated.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other debtors	30,946	25,763
Prepayments	757	697
	31,703	26,460

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Accrued expenses	4,487	4,760

LYNEMOUTH DAY CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

11. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General reserve	125,566	26,408	(10,017)	141,957
Designated redundancy fund	39,459	-	10,017	49,476
	<u>165,025</u>	<u>26,408</u>	<u>-</u>	<u>191,433</u>
Restricted funds				
Transport fund	-	2,388	-	2,388
Building refurbishment fund	7,030	5,000	-	12,030
	<u>7,030</u>	<u>7,388</u>	<u>-</u>	<u>14,418</u>
TOTAL FUNDS	<u>172,055</u>	<u>33,796</u>	<u>-</u>	<u>205,851</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General reserve	283,904	(257,496)	26,408
Restricted funds			
Transport fund	2,388	-	2,388
Building refurbishment fund	5,000	-	5,000
	<u>7,388</u>	<u>-</u>	<u>7,388</u>
TOTAL FUNDS	<u>291,292</u>	<u>(257,496)</u>	<u>33,796</u>

LYNEMOUTH DAY CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

11. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General reserve	114,409	10,581	576	125,566
Designated redundancy fund	40,035	-	(576)	39,459
	<u>154,444</u>	<u>10,581</u>	<u>-</u>	<u>165,025</u>
Restricted funds				
Exhibition, art and nostalgia projects fund	500	(500)	-	-
Building refurbishment fund	-	7,030	-	7,030
	<u>500</u>	<u>6,530</u>	<u>-</u>	<u>7,030</u>
TOTAL FUNDS	<u>154,944</u>	<u>17,111</u>	<u>-</u>	<u>172,055</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General reserve	292,859	(282,278)	10,581
Restricted funds			
Exhibition, art and nostalgia projects fund	2,350	(2,850)	(500)
Transport fund	15,000	(15,000)	-
Building refurbishment fund	16,454	(9,424)	7,030
	<u>33,804</u>	<u>(27,274)</u>	<u>6,530</u>
TOTAL FUNDS	<u>326,663</u>	<u>(309,552)</u>	<u>17,111</u>

LYNEMOUTH DAY CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

11. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General reserve	114,409	36,989	(9,441)	141,957
Designated redundancy fund	40,035	-	9,441	49,476
	<u>154,444</u>	<u>36,989</u>	<u>-</u>	<u>191,433</u>
Restricted funds				
Exhibition, art and nostalgia projects fund	500	(500)	-	-
Transport fund	-	2,388	-	2,388
Building refurbishment fund	-	12,030	-	12,030
	<u>500</u>	<u>13,918</u>	<u>-</u>	<u>14,418</u>
TOTAL FUNDS	<u>154,944</u>	<u>50,907</u>	<u>-</u>	<u>205,851</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General reserve	576,763	(539,774)	36,989
Restricted funds			
Exhibition, art and nostalgia projects fund	2,350	(2,850)	(500)
Transport fund	17,388	(15,000)	2,388
Building refurbishment fund	21,454	(9,424)	12,030
	<u>41,192</u>	<u>(27,274)</u>	<u>13,918</u>
TOTAL FUNDS	<u>617,955</u>	<u>(567,048)</u>	<u>50,907</u>

LYNEMOUTH DAY CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

12. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2021.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets £	Current assets £	Current liabilities £	Total 2021 £	Total 2020 £
Unrestricted funds					
General reserve	30,637	115,807	(4,487)	141,957	125,566
Designated funds					
Designated redundancy fund	-	49,476	-	49,476	39,459
Total unrestricted funds	<u>30,637</u>	<u>165,283</u>	<u>(4,487)</u>	<u>191,433</u>	<u>165,025</u>
Restricted funds					
Transport fund	-	2,388	-	2,388	-
Building refurbishment fund	-	12,030	-	12,030	7,030
Total restricted funds	<u>-</u>	<u>14,418</u>	<u>-</u>	<u>14,418</u>	<u>7,030</u>
Total funds	<u><u>30,637</u></u>	<u><u>179,701</u></u>	<u><u>(4,487)</u></u>	<u><u>205,851</u></u>	<u><u>172,055</u></u>