

REGISTERED CHARITY NUMBER: 1117054

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021
FOR
LOWTHER GARDENS LYTHAM**

Rushtons
Chartered Accountants
Avroe House
Avroe Crescent
Blackpool Business Park
Blackpool
Lancashire
FY4 2DP

LOWTHER GARDENS LYTHAM

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FOR THE YEAR ENDED 31 MARCH 2021**

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LOWTHER GARDENS LYTHAM

LEGAL AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 MARCH 2021

REGISTERED CHARITY NAME	Lowther Gardens Lytham
CHARITY NUMBER	1117054
PRINCIPAL OFFICE	Lowther Gardens Lowther Terrace Lytham St Annes FY8 5QQ
TRUSTEES	C R Greaney R T Withers T A Mallabone S M Wood M E Redfearn D F Rowe Fylde Borough Council
AUDITORS	Rushtons Chartered Accountants Avroe House Avroe Crescent Blackpool Business Park Blackpool FY4 2DP

LOWTHER GARDENS LYTHAM
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees 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 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The relevant powers granted to the Charity by the Constitution to achieve its aims are:

- power to lease part of the pavilion for purposes ancillary to the enjoyment of the gardens.
- power to charge such reasonable sums as the Trustees shall determine for use of the pavilion and for car parking.
- power to make rules and regulations consistent with this scheme for the management of the charity.

ACHIEVEMENT AND PERFORMANCE

Results

This is the 9th year since the Trust separated from Fylde Borough Council as an independent organisation. Fylde Borough Council maintain a single seat on the Trust and the rest of the Trustees are appointed independently coming from the Arts industry, Charity and business backgrounds. The Trust (Lowther Gardens, Lytham) are now in their second five-year Service Level Agreement with Fylde Borough Council where they receive some funding towards community involvement and provision of the arts and leisure space within the Fylde Borough. Despite trading conditions in the arts and leisure sector being difficult nationally, I am pleased to report that the Trust has maintained a strong fiscal position whilst further developing the Artistic offering and the community use of the facilities and grounds.

In Autumn 2018 the Trust received planning permission for its redevelopment in three phases of Lowther Pavilion. This far reaching redevelopment will see the addition of community and education spaces as well as extending the café to include a first-floor restaurant. This is a continuation of enablement works that have already been completed with the reroofing of the building and the replacement of seating. The completed refurbishment has added to the asset value of the property. The Trustees continued with design work for the park to compliment the building design and have continued with fund raising and started work on the first phase of the development in Autumn 2021.

Following the acquisition in 2019/2020 of a cinema and digital streaming system the trust has been able to supply, free of charge, to several thousand care home beds, live performances and tours of places of interest. This has provided a positive experience during the COVID crisis.

Whilst the COVID Crisis has presented many challenges for the charity it has remained buoyant throughout using the grounds for the benefit of the community including year round outdoor performances and events during the summer season; enabling in excess of 30,000 visitors over two festival weekends in July and August 2020. The grounds are continuing to be maintained and developed to a high standard under the Service Level Agreement with Fylde Borough Council.

The Trust continued its operation of the Pavilion theatre through an operating Company.

LOWTHER GARDENS LYTHAM
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Constitution

The Trust and its predecessors have operated the Gardens since 1905, when the land was donated to the Lytham Urban District Council by John Talbot Clifton, a local landowner. The principal object of Lowther Gardens Lytham is to promote for the benefit of the inhabitants of Lytham and the public at large recreational and other leisure time activities.

Governance and Internal Control

The body responsible for the management of the Charity is the Trustees.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1117054

Principal address

Lowther Gardens
Lowther Terrace
Lytham St Annes
FY8 5QQ

Trustees

D J Creasey (resigned 9.3.21)
C R Greaney
T J Lince (resigned 9.3.21)
R T Withers
T A Mallabone
S M Beech (resigned 14.8.20)
S M Wood (appointed 20.1.21)
M E Redfearn (appointed 20.1.21)
D F Rowe (appointed 20.10.21)

Auditors

Rushtons
Chartered Accountants
Statutory Auditors
Avroe House
Avroe Crescent
Blackpool Business Park
Blackpool
Lancashire
FY4 2DP

LOWTHER GARDENS LYTHAM
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 group and of the incoming resources and application of resources of the group for that period. In preparing these 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

In accordance with the articles, a resolution proposing that Rushtons Chartered Accountants be reappointed as auditor will be put at a general meeting.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The Trustees who held office at the date of approval of this Trustees Report confirm that, so far as they are each aware, there is no relevant audit information of which the charitable group's auditors are unaware; and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

21/12/2021

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

Teresa Mallabone

.....

T A Mallabone - Trustee

LOWTHER GARDENS LYTHAM

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF LOWTHER GARDENS LYTHAM FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Lowther Gardens Lytham (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity'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 Charities Act 2011.

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 Auditors' 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the entity is unsure of the how they will perform in the coming year due to the COVID-19 pandemic. The entity has shown during the year ended 31 March 2021 that they can respond accordingly to match a reduction in costs with a reduction in income, however they have received substantial government financial assistance. If COVID-19 restrictions are imposed again resulting in further closures, there are no guarantees that government financial support will be available. Despite the entity having a good level of cash reserves, these conditions indicate that a material uncertainty exists that may cast doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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

LOWTHER GARDENS LYTHAM

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF LOWTHER GARDENS LYTHAM FOR THE YEAR ENDED 31 MARCH 2021

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditors 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 a Report of the Independent Auditors 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.

LOWTHER GARDENS LYTHAM

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF LOWTHER GARDENS LYTHAM FOR THE YEAR ENDED 31 MARCH 2021

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:

Identifying and assessing potential risks related to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance;
- Enquiring of trustees, including obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - o Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - o The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud, and;
- Obtaining an understanding of the legal and regulatory frameworks that the charity operates in, focusing on those laws and regulations that had a direct effect on the financial statements, such as provisions of the Charities Act, pensions legislation and tax legislation or that had a fundamental effect on the operations of the company, including the General Data Protection requirements, Anti-bribery and corruption policies.

Audit response to risks identified

As a result of performing the above procedures, we did not identify any key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of trustees, in-house legal counsel concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance.

In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all of the engagement team, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

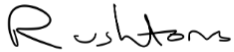
LOWTHER GARDENS LYTHAM

**INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF
LOWTHER GARDENS LYTHAM
FOR THE YEAR ENDED 31 MARCH 2021**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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.



Rushtons Chartered Accountants
Avroe House
Avroe Crescent
Blackpool Business Park
Blackpool
Lancashire
FY4 2DP

22/12/2021

Date:

LOWTHER GARDENS LYTHAM

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021**

				Year Ended 31.03.21 Total funds £	Year Ended 31.03.20 Total funds £
	Notes	Unrestricted fund £	Restricted fund £		
INCOME AND ENDOWMENTS					
Charitable activities					
Donations and other income	3	304,444	57,072	361,516	215,087
Investment income		178	-	178	-
Trading activity		151,509	-	151,509	1,149,635
		<u>456,131</u>	<u>57,072</u>	<u>513,203</u>	<u>1,364,722</u>
Total					
EXPENDITURE					
Trading activity		(79,915)	-	(79,915)	(755,128)
Charitable activity	4	<u>(368,894)</u>	<u>-</u>	<u>(368,894)</u>	<u>(555,505)</u>
Total		<u>(448,809)</u>	<u>-</u>	<u>(448,809)</u>	<u>(1,310,633)</u>
NET INCOME					
		7,322	57,072	64,394	54,089
Transfers between funds					
		29,857	(29,857)	-	-
Other recognised gains/(losses):					
Gains/(losses) on revaluation of fixed assets	4	486,792	-	486,792	-
NET MOVEMENT IN FUNDS					
		523,971	27,215	551,186	54,089
RECONCILIATION OF FUNDS					
Total funds brought forward		1,590,937	-	1,590,937	1,536,848
TOTAL FUNDS CARRIED FORWARD					
		<u>2,114,908</u>	<u>27,215</u>	<u>2,142,123</u>	<u>1,590,937</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

LOWTHER GARDENS LYTHAM
CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds (as restated) £
FIXED ASSETS					
Tangible assets	9	1,988,501	-	1,988,501	1,565,135
Investment property	10	<u>145,000</u>	<u>-</u>	<u>145,000</u>	<u>80,000</u>
		2,133,501	-	2,133,501	1,645,135
CURRENT ASSETS					
Stock		5,007	-	5,007	3,533
Debtors	12	13,788	358	14,146	13,045
Cash at bank		<u>433,582</u>	<u>26,857</u>	<u>460,439</u>	<u>349,092</u>
		452,377	27,215	479,592	365,670
CREDITORS					
Amounts falling due within one year	13	<u>(414,518)</u>	<u>-</u>	<u>(414,518)</u>	<u>(381,600)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>37,859</u>	<u>27,215</u>	<u>65,074</u>	<u>(15,930)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,171,360	27,215	2,198,575	1,629,205
CREDITORS					
Amounts falling due after more than one year	14	<u>(39,148)</u>	<u>-</u>	<u>(39,148)</u>	<u>(30,220)</u>
PROVISIONS		<u>(17,304)</u>	<u>-</u>	<u>(17,304)</u>	<u>(8,048)</u>
NET ASSETS		<u>2,114,908</u>	<u>27,215</u>	<u>2,142,123</u>	<u>1,590,937</u>
FUNDS	15				
Unrestricted funds				2,114,908	1,590,937
Restricted funds				<u>27,215</u>	<u>-</u>
TOTAL FUNDS				<u>2,142,123</u>	<u>1,590,937</u>

The financial statements were approved by the Board of Trustees on 22/12/2021 and were signed on its behalf by:

Rosemary Withers
.....
R Withers - Trustee

LOWTHER GARDENS LYTHAM

**CHARITY BALANCE SHEET
AT 31 MARCH 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds (as restated) £
FIXED ASSETS					
Tangible assets	9	1,660,577	-	1,660,577	1,265,018
Investment property	10	<u>145,000</u>	<u>-</u>	<u>145,000</u>	<u>80,000</u>
		1,805,577	-	1,805,577	1,345,018
CURRENT ASSETS					
Debtors	12	162,667	358	163,025	161,749
Cash at bank		<u>110,458</u>	<u>26,857</u>	<u>137,315</u>	<u>37,700</u>
		273,125	27,215	300,340	199,449
CREDITORS					
Amounts falling due within one year	13	(50,846)	-	(50,846)	(795)
		<u>222,279</u>	<u>27,215</u>	<u>249,494</u>	<u>198,654</u>
NET CURRENT ASSETS					
		<u>2,027,856</u>	<u>27,215</u>	<u>2,055,071</u>	<u>1,543,672</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>2,027,856</u>	<u>27,215</u>	<u>2,055,071</u>	<u>1,543,672</u>
NET ASSETS					
		<u>2,027,856</u>	<u>27,215</u>	<u>2,055,071</u>	<u>1,543,672</u>
FUNDS	15				
Unrestricted funds				2,027,856	1,543,672
Restricted funds				<u>27,215</u>	<u>-</u>
TOTAL FUNDS				<u>2,055,071</u>	<u>1,543,672</u>

The financial statements were approved by the Board of Trustees on 22/12/2021 and were signed on its behalf by:

Rosemary Withers

.....
R Withers - Trustee

LOWTHER GARDENS LYTHAM

**CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2021**

	Notes	Year Ended 31.3.21 £	Year Ended 31.3.30 £
Net cash inflow from operating activities	16	114,612	197,838
Investing activities			
Purchase of fixed assets		<u>(57,008)</u>	<u>(31,941)</u>
Net cash used in investing activities		57,604	165,897
Financing activities		(26,258)	
Repayment of borrowings		80,000	-
Proceeds of borrowings		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		111,346	165,897
Cash and cash equivalents at beginning of year		<u>349,092</u>	<u>183,195</u>
Cash and cash equivalents at end of year		<u><u>460,438</u></u>	<u><u>349,092</u></u>
Relating to:			
Cash at bank and in hand		<u><u>460,438</u></u>	<u><u>349,092</u></u>

LOWTHER GARDENS LYTHAM

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 charity, 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 Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Reduced disclosure exemption

In accordance with FRS 102, the charity has taken advantage of the exemptions from the following disclosure requirements in respect of its individual financial statements. These disclosures are given on a consolidated basis:

- Section 7 'Statement of Cash Flows' – presentation of a statement of cash flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instruments Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instruments; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Fund accounting

All funds are retained in a general unrestricted fund which can be used in accordance with the charitable objectives at the discretion of the Trustees.

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.

Going Concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The entity has been significantly impacted by the COVID-19 pandemic and the imposed closures. The entity has made a surplus of £64,394 before gains from the revaluation of fixed assets but has relied heavily upon government financial support. The COVID-19 pandemic continues to provide uncertainty for the future with potential further closures and/or restrictions and with no guarantee of further government financial support.

However, the entity has successfully managed to reduce costs in line with any reductions in income and continues to have a healthy cash balance. The trustees have therefore continued to adopt the going concern basis of accounting in the preparation of these financial statements.

LOWTHER GARDENS LYTHAM

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

1. ACCOUNTING POLICIES - CONTINUED

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.

Buildings	- 2% on cost
Improvements to property	- Straight line over 30 years
Plant and machinery	- 10% on cost
Computer equipment	- Straight line over 3 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

No provision has been made for the corporation tax or deferred tax as this is a registered charity and has not carried out any activities which have given a rise to a tax liability.

2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies, the Trustees are required to make judgement, 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 relevant. Actual results may differ from these estimates.

3. OTHER INCOME

	Year Ended 31.3.21 £	Year Ended 31.3.20 £
Donations and gifts	-	92,286
Fundraising activities	84,837	24,804
Grants	3,500	76,850
Other incoming resources	273,179	20,514
Investment income	-	633
	<u>361,516</u>	<u>215,087</u>

LOWTHER GARDENS LYTHAM

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

4. EXPENDITURE

		Year Ended 31.3.21 £	Year Ended 31.3.20 £
	Notes		
Fundraising expenses		4,968	19,610
Hire of plant and machinery		8,403	10,542
Wages	6	138,725	211,567
Cleaning, laundry and waste		6,433	13,208
Light, heat and water		6,655	16,524
Telephone, fax and internet		2,088	2,154
Postage and stationery		1,762	17,250
Advertising and marketing		13,468	16,279
Motor and travel		779	1,028
Repairs and renewals		10,847	33,044
Computer maintenance		19,686	30,715
Depreciation	5	55,433	51,953
Insurance		7,667	4,866
Staff hire/training		19,748	18,217
Sundry		7,223	5,474
Finance charges		11,744	16,649
Bad debts		587	3,138
Accountancy	5	8,425	6,019
Legal and professional fees		34,997	71,924
Tax		9,256	5,344
Reversal of depreciation on revaluation		(392,677)	-
Revaluation		(94,115)	-
		<hr/> (117,898) <hr/>	<hr/> 555,505 <hr/>

5. NET INCOME FOR THE YEAR INCLUDES:

This is stated after charging:

	Year Ended 31.3.21 £	Year Ended 31.3.20 £
Depreciation on owned assets	55,433	51,953
Bank loan interest	1,359	1,228
Auditors remuneration:		
- Audit of the financial statements	4,000	4,000
- Other services	4,425	2,019
	<hr/> 4,425 <hr/>	<hr/> 2,019 <hr/>

LOWTHER GARDENS LYTHAM

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

6. STAFF COSTS	Year Ended 31.3.21 £	Year Ended 31.3.20 £
Wages and social security	136,636	208,409
Other pension costs	<u>2,089</u>	<u>3,158</u>
	<u>138,725</u>	<u>211,567</u>
Particulars of employees:		
The average number of employees during the year was as follows:	<u>10</u>	<u>20</u>

No employee received remuneration of more than £60,000 during the year (2020 - £60,000).

7. 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

The Limited Company was charged £51,787 (2020: £32,223) for services provided by Pendle Productions Ltd, a company controlled by Mr T J Lince, a director and trustee of the company during the year. At the year end the Company owed the above company £8,690 (2020: £8,000).

The Limited Company was charged £12,065 (2020: £13,627) for services provided by Mr D J Creasey, a director and trustee of the company during the year. At the year end the Company owed Mr Creasey £Nil (2020: £Nil).

8. TAXATION

Lowther Gardens Lytham is a registered charity and is therefore exempt from tax on income and gains to the extent that these are applied to its charitable objects.

The trading subsidiary is subject to corporation tax and the charge in the year is shown in the detailed consolidated statement of financial activities.

LOWTHER GARDENS LYTHAM

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

9. TANGIBLE FIXED - ASSETS – GROUP

	Land £	Buildings £	Improvements to property £
COST			
At 1 April 2020	235,500	1,393,603	200,849
Additions	-	2,359	-
Revaluations	21,500	7,615	-
At 31 March 2021	<u>257,000</u>	<u>1,403,577</u>	<u>200,849</u>
DEPRECIATION			
At 1 April 2020	-	364,785	-
Charge for year	-	27,892	6,695
Revaluation adjustments	-	(392,677)	-
At 31 March 2021	<u>-</u>	<u>-</u>	<u>6,695</u>
NET BOOK VALUE			
At 31 March 2021	<u>257,000</u>	<u>1,403,577</u>	<u>194,154</u>
At 31 March 2020	<u>235,500</u>	<u>1,028,818</u>	<u>200,849</u>
	Plant & Machinery £	Computer Equipment £	Totals £
COST			
At 1 April 2020	320,020	6,925	2,156,897
Additions	54,649	-	57,008
Revaluations	-	-	29,115
At 31 March 2021	<u>374,669</u>	<u>6,925</u>	<u>2,243,020</u>
DEPRECIATION			
At 1 April 2020	223,673	3,304	591,762
Charge for year	18,908	1,939	55,434
Revaluation adjustments	-	-	(392,677)
At 31 March 2021	<u>242,581</u>	<u>5,243</u>	<u>254,519</u>
NET BOOK VALUE			
At 31 March 2021	<u>132,088</u>	<u>1,682</u>	<u>1,988,501</u>
At 31 March 2020	<u>96,347</u>	<u>3,621</u>	<u>1,565,135</u>

LOWTHER GARDENS LYTHAM

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

9. TANGIBLE FIXED - ASSETS – CHARITY *(restated)*

	Land	Buildings	Plant and Machinery	Totals
	£	£	£	£
COST OR VALUATION				
At 1 April 2020	235,500	1,393,603	172,284	1,801,387
Additions	-	2,359	-	2,359
Revaluations	<u>21,500</u>	<u>7,615</u>	<u>-</u>	<u>29,115</u>
At 31 March 2021	<u>257,000</u>	<u>1,403,577</u>	<u>172,284</u>	<u>1,832,861</u>
DEPRECIATION				
At 1 April 2020	-	364,785	171,585	536,370
Charge for the year	-	27,892	699	28,591
Revaluation adjustments	<u>-</u>	<u>(392,677)</u>	<u>-</u>	<u>(392,677)</u>
At 31 March 2021	<u>-</u>	<u>-</u>	<u>172,284</u>	<u>172,284</u>
NET BOOK VALUE				
At 31 March 2021	<u>257,000</u>	<u>1,403,577</u>	<u>-</u>	<u>1,660,577</u>
At 31 March 2020	<u>235,500</u>	<u>1,028,818</u>	<u>699</u>	<u>1,265,018</u>

The land and buildings were valued by Lea Hough Chartered Surveyors on 2 September 2021. If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amount included would have been as follows:

	2021 £	2020 £
Cost	1,803,747	1,801,388
Accumulated depreciation	(564,961)	(536,370)
Carrying value	<u>1,238,786</u>	<u>1,265,018</u>

LOWTHER GARDENS LYTHAM

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

10. INVESTMENT PROPERTY *(restated)*

	£
FAIR VALUE	
At 1 April 2020	80,000
Revaluation	<u>65,000</u>
At 31 March 2021	<u>145,000</u>
NET BOOK VALUE	
At 31 March 2021	<u>145,000</u>
At 31 March 2020	80,000

11. INVESTMENT IN SUBSIDIARY COMPANIES

The charity has a subsidiary company, Lowther Gardens (Lytham) Management Limited. This is a private company limited by guarantee without share capital. By virtue of its effective management being closely integrated to the charity, in that the Directors are also Trustees of the charity, and that its trade is for the benefit of the charity it is therefore treated as a subsidiary.

Details of the subsidiary company are disclosed below:

Lowther Gardens (Lytham) Management Ltd	2021	2020
Company number: 07520640	£	£
Assets	668,121	626,265
Liabilities	(581,069)	(579,000)
Capital & Reserves	<u>87,052</u>	<u>47,265</u>
Turnover	151,509	1,149,635
Expenditure	(102,466)	(1,121,506)
Profit/(Loss)	<u>49,043</u>	<u>28,129</u>

LOWTHER GARDENS LYTHAM

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

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP	2021 £	2020 £
Trade debtors	3,311	3,574
Prepayments and other debtors	<u>10,835</u>	<u>9,471</u>
	<u>14,146</u>	<u>13,045</u>
 CHARITY	 2021 £	 2020 £
Prepayments and other debtors	2,078	1,823
Intercompany debtor	<u>160,947</u>	<u>159,926</u>
	<u>163,025</u>	<u>161,749</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP	2021 £	2020 £
Trade creditors	13,603	36,805
Taxation and social security	1,632	2,581
VAT	-	4,687
Other creditors	12,171	1,489
Accruals	322,298	316,038
Bank Loans	50,000	15,000
FBC Loan	5,000	5,000
HP	<u>9,814</u>	<u>-</u>
	<u>414,518</u>	<u>381,600</u>
 CHARITY	 2021 £	 2020 £
Trade creditors	20	33
Accruals and deferred income	826	762
Bank Loans	<u>50,000</u>	<u>-</u>
	<u>50,846</u>	<u>795</u>

LOWTHER GARDENS LYTHAM

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

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

GROUP	2021 £	2020 £
FBC Loan	25,220	30,220
HP	13,928	-
	<u>39,148</u>	<u>30,220</u>

15. FUNDS

GROUP	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	245,919	62,571	841	309,331
Fair value reserve	-	94,115	-	94,115
Property asset fund	<u>1,345,018</u>	<u>364,086</u>	<u>2,359</u>	<u>1,711,462</u>
	1,590,937	520,772	3,200	2,114,908
Restricted funds				
Tree Guardians Adopt a	-	5,577	-	5,577
Tree Scheme				
Bobby Ball Statue	-	21,638	-	21,638
Donations				
Park Benches	<u>-</u>	<u>3,200</u>	<u>(3,200)</u>	<u>-</u>
	-	30,415	(3,200)	27,215
TOTAL FUNDS	<u>1,590,937</u>	<u>551,186</u>	<u>-</u>	<u>2,142,123</u>

LOWTHER GARDENS LYTHAM

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

15. FUNDS - CONTINUED

CHARITY	At 1.4.20	Net movement in funds	Transfers between funds	At 31.3.21
	£	£	£	£
Unrestricted funds				
General fund	198,654	22,784	841	222,279
Fair value reserve	-	94,115	-	94,115
Property asset fund	1,345,018	364,086	2,359	1,711,462
	<u>1,543,672</u>	<u>480,985</u>	<u>3,200</u>	<u>2,027,856</u>
Restricted funds				
Tree Guardians Adopt a	-	5,577	-	5,577
Tree Scheme				
Bobby Ball Statue	-	21,638	-	21,638
Donations				
Park Benches	-	3,200	(3,200)	-
	<u>-</u>	<u>30,415</u>	<u>(3,200)</u>	<u>27,215</u>
TOTAL FUNDS	<u>1,543,672</u>	<u>511,399</u>	<u>-</u>	<u>2,055,071</u>

16. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income	64,394	54,089
Tax	9,256	5,344
Depreciation	55,433	51,953
Change in stock	(1,474)	(277)
Change in debtors	(1,101)	41,687
Change in creditors	<u>(11,896)</u>	<u>45,042</u>
	<u>114,612</u>	<u>197,838</u>

17. PRIOR YEAR ADJUSTMENT

The charity has included a prior year adjustment to reclassify buildings from tangible assets to investment property which are both included within fixed assets.

The impact on the balance sheet for the year ended 31 March 2020 is as follows:

- Decrease tangible fixed assets by £80,000
- Increase investment property by £80,000

There is no impact on the Statement of Financial Activities or overall funds.

LOWTHER GARDENS LYTHAM

**DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021**

	Year Ended 31.3.21		Year Ended 31.3.20	
	£	£	£	£
TURNOVER		151,509		1,149,635
Cost of sales		<u>(79,915)</u>		<u>(755,128)</u>
GROSS SURPLUS		71,594		394,507
Other Income				
Donations and gifts	-		92,286	
Fundraising activities	84,837		24,804	
Grants	3,500		76,850	
Other incoming resources	273,179		20,514	
Investment income	178		633	
		<u>361,694</u>		<u>215,087</u>
		433,288		609,594
Expenditure				
Fundraising expenses	4,968		19,610	
Hire of plant and machinery	8,403		10,542	
Wages	138,725		211,567	
Cleaning, laundry and waste	6,433		13,208	
Light, heat and water	6,655		16,524	
Telephone, fax and internet	2,088		2,154	
Postage and stationery	1,762		17,250	
Advertising and marketing	13,468		16,279	
Motor and travel	779		1,028	
Repairs and renewals	10,847		33,044	
Computer maintenance	19,686		30,715	
Depreciation	55,433		51,953	
Reversal of depreciation on revaluation	(392,677)		-	
Revaluation	(94,115)		-	
Insurance	7,667		4,866	
Staff hire/training	19,748		18,217	
Sundry	7,223		5,474	
		<u>182,907</u>		<u>(452,431)</u>
Carried forward		616,195		157,163

LOWTHER GARDENS LYTHAM

**DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021**

	Year Ended 31.3.21	Year Ended 31.3.20
	£	£
Brought forward	616,195	157,163
Finance charges	11,744	16,649
Bad debts	587	3,138
Accountancy	8,425	6,019
Legal and professional fees	<u>34,997</u>	<u>71,924</u>
	<u>55,753</u>	<u>97,730</u>
SURPLUS BEFORE TAXATION	560,442	59,433
Tax on surplus/(deficit)	<u>9,256</u>	<u>5,344</u>
SURPLUS FOR THE FINANCIAL YEAR	551,186	54,089
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>551,186</u></u>	<u><u>54,089</u></u>