

HOLY ISLAND OF LINDISFARNE COMMUNITY DEVELOPMENT TRUST
(A company limited by guarantee)

COMPANY NUMBER 06776737
CHARITY NUMBER 1128208

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2022

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FOR THE YEAR ENDED 31 DECEMBER 2022

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LEGAL AND ADMINISTRATIVE INFORMATION

Name of Charity	Holy Island of Lindisfarne Community Development Trust
Incorporation	The organisation was originally established as a charity, Holy Island of Lindisfarne Community Development Trust number 1058246, on 25 September 1996. A new company limited by guarantee, of the same name, was incorporated on 18 December 2008 and registered as a charity on 24 February 2009. All funds were transferred from the old charity to the new charitable company on 1 June 2009.
Registered Charity No	1128208
Registered Company No	06776737
Directors and Trustees	R Patterson (Chairman) J A Bevan R Coombes J Crossman P T Douglas R L T Douglas Cllr C Hardy Dr R Hills Rev. Canon Dr S A Hills R C Messenger (passed away 22 November 2022) A Mundy G R Porter R J Simpson H Stiansen Cllr. R J D Watkin
Secretary	J Riley
Registered Office	Lindisfarne Heritage Centre Marygate Holy Island Berwick-upon-Tweed TD15 2SJ
Independent Examiner	Lucy Smyth 9 Briarwood Avenue, Newcastle upon Tyne, NE3 5DA
Bankers	Triodos Bank N.V. Brunel House, 11 The Promenade, Bristol BS8 3NN
Solicitors	T. C. Smith 9 Church Street, Berwick upon Tweed TD15 1EF

TRUSTEES REPORT FOR THE YEAR ENDING 31 DECEMBER 2022

Introduction

The Trustees are pleased to present their annual directors' report and financial statements for the year ending 31 December 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 2015).

Objects and Activities

The Holy Island of Lindisfarne Community Development Trust is a registered charity whose main aims are to promote and improve the social and economic well-being of the inhabitants of the island of Lindisfarne in the County of Northumberland in as many ways which are charitable by law, including:-

'for the support or promotion of any charitable purpose for the relief of poverty, the advancement of education (including training for employment or work), the advancement of religion or any other charitable purpose for the benefit of the community in the area of the Island of Lindisfarne'.

The Trust works closely with the Holy Island Partnership, Northumberland County Council and Holy Island Parish Council to help in achieving these aims. It also works with stakeholders such as Natural England, the Area of Outstanding Natural Beauty, English Heritage and the National Trust – all of whom have a presence on the island.

The trustees' policy in achieving its objectives is:

1. Securing funding, and managing, long-term let social housing for the benefit of residents.
The Trust manages 11 homes on the island. The Trust is working with partners to explore the feasibility of building additional properties.
2. Improve facilities for the use of residents and visitors of Holy Island.
The Trust owns and operates the Lindisfarne Centre, which includes a permanent display of Island Heritage, the former Lifeboat House which has been converted to a museum and archive, and the Harbour used by island fishermen. Also, the Trust operates the former Coastguard Lookout Tower as an observation and environmental education facility and Window on Wild Lindisfarne, a high quality bird-hide and environmental education facility on the Rocket Field, adjacent to the harbour.
3. Sponsor and support projects that ensure the ongoing well-being and viability of the community.
The Trust is the host organisation for a community based initiative called Holy Island 2050.

Volunteers

The volunteer executive committee of the Company/Trust perform both the function of Directors and Trustees who are responsible for the strategic direction and accountability of the organisation. They are also the set of volunteers who are responsible for the day to day management and administration of the Trust, its properties and its existing projects. They also lead on developing new projects by the use of steering groups, who are added to by one or two additional island residents and external advisors, as and when required.

Normally, the executive committee meet on a bi-monthly basis with one or two project steering groups meeting between Trust meetings. In addition, the Chairman is in almost daily contact with the Lindisfarne Centre staff. No data has been recorded putting a time or monetary value on this volunteer input.

Achievements and Performance

Affordable Housing

The Trust continues to manage 11 homes and it rents them out at affordable levels to island residents in line with an agreed lettings policy. The tenants in the housing continue to contribute to the fabric of the community and its life – something they could not do without the affordable houses. The houses remained fully occupied through the year. In September 2022 the Trust entered into an updated housing management agreement with Bernicia who supply compliance, support and repair services for all the housing units owned by the Trust. The Trust continues to issue tenancy agreements and collect rents. During the year the Trust worked with partners to explore the feasibility of building additional properties and secured grants to carry out a housing needs assessment on the island in 2023.

Lindisfarne Centre

The Centre enjoyed a successful trading year, although increasing utility and other costs affected profitability. The Trustees remain committed to supporting the Centre as a focal point for heritage interpretation and visitor information on the island.

Harbour

The harbour was fully operational during the year and day-to-day management continued to be carried out by the harbourmaster.

Gospel Garden

The garden continued to be enjoyed by many visitors and residents during the year and the maintenance of the garden continues to be performed by volunteers.

Lifeboat Museum

The Old Lifeboat House continued to operate as a small museum, free to enter, explaining the lifeboat heritage of the island.

Lookout and Rocket Field

The former Coastguard Lookout Tower has been converted into an observation and information point and is complemented by its sister building, a high-quality bird-hide and environmental information point in the Rocket Field along Harbour Road, Window on Wild Lindisfarne. Both buildings continued to be open to general visitors during the year.

Holy Island 2050 project

Since summer 2020 organisations on Holy Island have been working together on the Holy Island 2050 project. This work resulted in the publication of a strategy and masterplan in late 2022 that is owned and has been led by the community. The strategy provides a framework that brings all the pieces in the jigsaw (e.g. planning, enterprise, heritage, visitor management) into a balanced plan.

Governance, Structure and Management

The Holy Island of Lindisfarne Community Development Trust is constituted by Memorandum and Articles of Association adopted on 8 December 2008. It was incorporated as a private company limited by guarantee and not having a share capital on 18 December 2008. It was registered as a Charity in February 2009. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Executive Committee and Organisational Structure

The affairs of the Company are conducted by the executive committee (company board). The executive committee of the Company is made up of unpaid volunteers. Since 17 September 2010, these consist of not less than 5 members and not more than 15 members being:-

- (a) Up to four members elected at the annual general meeting, from among those who are eligible to speak and vote at General Meetings of the Charity.
- (b) Nominated members appointed as follows:
 - Holy Island Parish Council – Two Members;
 - Holy Island Parochial Church Council – One Member;
 - Holy Island Fishermen's Society – One Member;
 - Holy Island Village Hall Committee – One Member;
 - Northumberland County Council - One Member;
 - Holy Island School - One Member
- (c) Members co-opted as in accordance with article 36. The executive committee may in addition fill casual vacancies on the executive committee by co-option, providing that the total number of persons co-opted does not number more than one-third of the total number of members of the executive committee.

All Directors shall retire from office together at the end of the AGM, but they may be re-elected, re-appointed or co-opted.

The executive committee meets formally at least 4 times a year to agree policy and monitor performance and objectives.

The Company is keen to recruit general members. On 31 December 2022 general membership stood at 90 individuals (2021: 91 members).

Trustees Induction

The Company/Charity provides an induction process to new directors by presenting them with copies of important plans and documents and verbally informing them of the operations of the Trust.

Risk Review

The Trust has reviewed its Risk Assessment and addressed the risks contained. This will be continually reviewed and updated using a Risk Log. An independent consultant was engaged in autumn 2019 to advise Trustees on specific Health and Safety risks.

Related Parties

The Trust has a wholly owned subsidiary trading company, Lindisfarne Heritage Centre Limited (LHC Ltd). The share capital was transferred to the ownership of Holy Island of Lindisfarne Community Development Trust in 2011.

The Lindisfarne Centre is a visitor and community centre situated on the Island of Holy Island in the U.K. LHC Ltd rents the centre and contents from the Trust and all of its profits are covenanted back to the Trust via Gift Aid. LHC Ltd operates a retail shop at the centre. The Trustees of the charity appoint the directors of the subsidiary company.

The Trust has not prepared consolidated accounts which include its subsidiary, Lindisfarne Heritage Centre Limited, as the gross income of the group in the accounting period is less than the audit threshold under the Charities Act 2011.

Financial Review

Total income was £96,265 (2021: £137,573). Grants to recover from the impacts of the COVID-19 lockdowns were received during the year totalling £5,334 (2021: £24,336). In addition, £16,250 (2021: £33,157) of grants and donations were received for the Holy Island 2050 project, for which the Trust is the accountable body and for affordable housing work. The main source of income remained property rentals £50,855 (2021: £52,920).

Reserves Policy

The trustees' reviewed the policy in autumn 2018. The main concern is to ensure that an adequate reserve fund is in place to meet expenditure on cyclical repairs to the affordable housing stock. The current cash and net assets set aside for affordable housing were £47,772 at the end of the financial year (2021: £83,606) after an additional one off £45,000 repayment was made in April 2022. Trustees are therefore satisfied with the current level of reserves. The trustees estimate that annual operating costs of the Charity are approximately £35,000 and current cash and net asset reserves are £83,571 (2021: £78,612). Trustees are satisfied with the current level of reserves.

Trustees Responsibilities

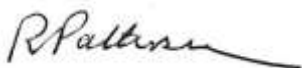
Charity law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charity and of its financial activities for that year, together with its assets and liabilities at the end of the year, and adequately distinguish any material special trust or other restricted fund of the charity. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the appropriate SORP on Accounting by Charities and the Accounting Regulations and with applicable accounting standards, 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 charity 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 charity, and enable them to ensure that the financial statements comply with the Companies Act 2006, and the applicable Accounting Standards and Statements of Recommended Practice, and the regulations made under the Charities Act 2011.

The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees on 16 February 2023 and signed on its behalf by



Richard Patterson
Chairman

**INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES OF
HOLY ISLAND OF LINDISFARNE COMMUNITY DEVELOPMENT TRUST.**

I report on the accounts of The Trust for the year ending 31 December 2022, which are set out on pages 8 to 19.

Respective responsibilities of trustees and examiner

The trustees, who are also the directors of Holy Island of Lindisfarne Community Development Trust for the purposes of company law, are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met; or
- (2) to which, in my opinion, attention should be drawn to enable a proper understanding of the accounts to be reached.

.....

Lucy Smyth, 9 Briarwood Avenue, Newcastle upon Tyne, NE3 5DA

16 February 2023

Holy Island of Lindisfarne Community Development Trust
Statement of Financial Activities
(including income and expenditure account)
for year ending 31 December 2022

	Note	Restricted	Designated	Unrestricted	Total 2022	Total 2021
		£	£	£	£	£
Income:						
Donations and legacies	3	9,109	0	750	9,859	11,783
Charitable activities	4	67,105	9,305	9,548	85,958	106,306
Income from trading subsidiary	5	0	0	0	0	18,251
Investment income	6	0	0	448	448	1,233
Total income		76,214	9,305	10,746	96,265	137,573
Expenditure on:						
Charitable activities	7	77,229	6,341	18,998	102,568	108,645
Total expenditure		77,229	6,341	18,998	102,568	108,645
Net income (expenditure)		(1,015)	2,964	(8,252)	(6,303)	28,928
Transfers between funds		(7,693)	(3,342)	11,035	0	0
Net movement in funds		(8,708)	(378)	2,783	(6,303)	28,928
Reconciliation of funds						
Total funds brought forward		1,654,468	85,360	114,161	1,853,989	1,825,061
Total funds carried forward		1,645,760	84,982	116,944	1,847,686	1,853,989

The statement of financial activities includes all gains and losses in the year.
All income and expenditure derive from continuing activities.

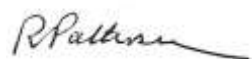
Holy Island of Lindisfarne Community Development Trust
Balance Sheet
as at 31 December 2022

	Note	2022 £	2021 £
Fixed Assets			
Tangible assets	14	1,783,039	1,827,175
Investments	15	29,153	29,153
Total fixed assets		1,812,192	1,856,328
Current Assets			
Stocks	16	2,608	1,960
Debtors	17	8,601	25,429
Cash at bank and in hand		188,217	185,941
Total current assets		199,426	213,330
Liabilities			
Creditors: amounts falling due within one year	18	(33,092)	(31,403)
Net current assets		166,334	181,927
Total assets less current liabilities		1,978,526	2,038,255
Creditors: Amounts falling due after more than one year	19	(130,840)	(184,266)
Net assets		1,847,686	1,853,989
Funds	21		
Restricted funds		1,645,760	1,654,468
Designated funds		84,982	85,360
Unrestricted funds		116,944	114,161
Total charity funds		1,847,686	1,853,989

For the financial period ended 31 December 2022, the company was entitled to exemption from audit under section 477(1) of the Companies Act 2006; and no notice has been deposited under section 476(1) requesting an audit. The trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the period and of its profit or loss for the financial period in accordance with the requirements of section 394 and which otherwise comply with the Companies Act 2006, so far as applicable to the company. The financial statements also comply with the Charities Act 2011, the Memorandum and Articles of Association, 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 2015).

The notes at pages 11 to 19 form part of these accounts.

Approved by the Board on 16 February 2023 and signed on its behalf by:



.....
R Patterson
Chairman

Holy Island of Lindisfarne Community Development Trust
Statement of Cash Flows
for year ending 31 December 2022

	Note	2022 £	2021 £
Cash generated from operating activities	24	<u>55,254</u>	<u>65,477</u>
Cash flows from investing activities			
Interest income		448	1,233
Loan to Lindisfarne Heritage Centre		0	3,131
Purchase of tangible fixed assets		0	(12,858)
Cash used in investing activities		<u>448</u>	<u>(8,494)</u>
Cash flows from financing activities			
Repayment of bank loan		(53,426)	(15,783)
Cash used in financing activities		<u>(53,426)</u>	<u>(15,783)</u>
Increase in cash and cash equivalents		<u>2,276</u>	<u>41,200</u>
Cash and cash equivalents at the beginning of the year		185,941	144,741
Total cash and cash equivalents at the end of the year		<u>188,217</u>	<u>185,941</u>

NOTES ON THE ACCOUNTS

1. Accounting Policies

The Company is registered in England and Wales (company number 06776737) and the registered office address is Lindisfarne Heritage Centre, Marygate, Holy Island, Berwick-upon-Tweed, Northumberland, TD15 2SJ. The accounts were approved on 16 February 2022. The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1. Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Holy Island of Lindisfarne Community Development Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is 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.

1.3 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.4 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Trust's work or for specific projects being undertaken by the Trust. The following restricted and designated funds are in operation:

Restricted Funds

The Housing Fund is made up of funds which are earmarked for social housing. As and when sufficient funds are built up, the trustees will seek to add to the stock of social housing. The revenue fund is built up to fund ongoing and future repairs to the social housing stock.

The Lookout and Rocket Fund is to develop interpretation facilities under a Higher Level Stewardship agreement from Natural England.

The Old Lifeboat House is to develop a museum and interpretation facility.

Holy Island 2050 is to support consultation with the community to develop a vision and strategy for Holy Island to 2050.

Designated Funds

The Lindisfarne Centre is the building which houses the visitors centre and its various exhibits as well as acting the administrative offices for the trust.

The Harbour Fund is to account for repairs and maintenance of the Harbour on Holy Island which was donated to the community.

The Lindisfarne Garden Fund is a community garden with disabled access to interpret the spiritual history of the island.

1.5 Expenditure and irrecoverable VAT

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

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.6 Tangible fixed assets

Fixed assets are capitalised, at cost where the purchase price exceeds £1,000.

Depreciation on fixed assets is provided at rates estimated to write off the cost or revalued amounts, less estimated residual value, of cash asset over its expected useful life as follows:

Freehold Land and Building	Nil
Housing Fixtures and Fittings	10% straight line
Harbour & Lifeboat Land	Nil/2% straight line
Harbour Fixtures and Fittings	20% straight line
Pier Improvements	20% straight line
Lindisfarne Centre	2.5% straight line
Garden	10% straight line
Fixtures and Fittings	20% reducing balance
Computers	50% straight line
Heritage and Visitor Buildings	4% straight line
Lookout Tower and Window Interpretation	20% straight line

It is the trust's policy to revalue all capital projects to fair market value on completion and housing at Kyle Gardens and Tudor Flats was revalued in March 2009. Housing at Green Lane is included in the accounts at cost as building work was completed in 2010.

All assets are reviewed regularly for impairment, and written down to their recoverable value, where necessary.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

1.11 Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 Management fees

A charge is transferred from Housing Funds to trust funds to cover administration of the Trusts housing stock. This is presently set at 10% of gross rental income.

1.13 Subsidiary activities

The trust has a wholly owned subsidiary trading company, Lindisfarne Heritage Centre Limited. The share capital is held by the development trust. Lindisfarne Heritage Centre Limited rent the resource centre from the trust and all of its profits are covenanted to the trust. Lindisfarne Centre is a visitor and community and development centre situated on the Island of Holy Island in the U.K.

The Trust has not prepared consolidated accounts which include its subsidiary, Lindisfarne Heritage Centre Limited, because the consolidated income of the group was less than £500,000.

A summary of the Lindisfarne Heritage Centre Limited's results can be found at note 5.

2. Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. Income from donations and legacies

	2022	2021
	£	£
Gifts	9,859	11,783
	<u>9,859</u>	<u>11,783</u>

The income from donations and legacies was £9,859 (2021: £11,783) of which £750 was unrestricted (2021: £585), £nil was designated (2021: £2,017) and £9,109 was restricted (2021: £9,181).

The Trust benefits greatly from the involvement and enthusiastic support of its volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

4. Income from charitable activities

	2022	2021
	£	£
Property rental	56,230	52,920
Government grants	5,334	24,336
Other grants	16,250	26,780
Other income	4,214	0
Service charges	3,930	2,270
	85,958	106,306

5. Income from other trading activities

The wholly owned trading subsidiary Lindisfarne Heritage Centre Ltd is incorporated in the United Kingdom (company number 03883799) and pays all of its profits to the charity under the gift aid scheme. LHC Ltd operates the Lindisfarne Heritage Centre carried on at the Trust premises. A summary of the trading results is shown below.

	2022	2021
	£	£
Turnover	74,733	64,303
Cost of sales	(40,304)	(28,790)
Gross profit	34,429	35,513
Administrative expenses	(37,608)	(32,333)
Other operating income	1,200	23,313
Operating profit	(1,979)	26,493
Interest receivable	0	0
Profit for the year	(1,979)	26,493
Covenanted payment to HILCDT	0	(18,251)
Retained by subsidiary	(1,979)	8,242

The assets and liabilities of the subsidiary were:

Current assets	27,175	29,152
Current liabilities	29,152	29,152
Total net assets	(1,977)	0
Aggregate share capital and reserves	(1,977)	0

6. Investment income

All of the Charity's investment income of £448 (2021: £1,233) arises from money held in interest bearing deposit accounts.

7. Analysis of expenditure on charitable activities

	Housing	Heritage Buildings	Harbour	Holy Island 2050	Total 2022	Total 2021
	£	£	£	£	£	£
Insurance	2,536	2,179	824	0	5,539	4,311
Depreciation	5,526	30,668	5,764	0	41,958	49,560
Property maintenance	1,145	292	0	0	1,437	3,459
Professional fees	4,684	0	1,127	16,780	22,591	26,152
Office costs	0	0	0	2,138	2,138	80
Rents and rates	0	225	0	0	225	170
Utilities	0	580	100	0	680	820
Bank loan interest	6,014	0	0	0	6,014	7,195
Oil purchases	2,989	0	0	0	2,989	2,112
Support costs	5,799	5,799	5,799	0	17,397	13,186
Governance	533	533	534	0	1,600	1,600
	29,226	40,276	14,148	18,918	102,568	108,645

Expenditure on charitable activities was £102,568 (2021: £108,645) of which £18,998 was unrestricted (2021: £21,438), £6,341 was designated (2021: £7,945) and £77,229 was restricted (2021: £79,262).

8. Analysis of governance and support costs

The Trust initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned equally between the three key charitable activities undertaken (see note 7) in the year.

	General support	Governance function	Total	Basis of apportionment
	£	£	£	
Financial management support	9,703	-	9,703	Equal
Bank charges	70	-	70	Equal
Other charges	7,624	-	7,624	Equal
Annual accounts	-	1,600	1,600	Governance
	17,397	1,600	18,997	

9. Net income/(expenditure) for the year

This is stated after charging:	2022	2021
	£	£
Depreciation	44,136	49,560
Bank interest	6,014	7,195
Accountants fees	1,600	1,600
	51,750	58,355

10. Analysis of staff costs and trustee remuneration and expenses

No trustees (2021: nil) were reimbursed travel costs and other expenses incurred on Trust business (2021: nil). One trustee (2021: £1,052) was paid an honorarium to perform the duties of harbourmaster for the Trust; this was a payment of £1,127.

No staff members were employed during the year (2021: nil).

11. Related party transactions

During the year the Trust was involved in transactions with its wholly owned subsidiary, Lindisfarne Heritage Centre Limited.

The Trust receives rent from its subsidiary in respect of the Centre. The yearly rent is £3,000 plus value added tax thereon or the annual operating profit of the subsidiary derived from their occupation of the premises plus value added tax thereon whichever is the lower (2021: £3,000). The Trust paid £1,200 (2021: £600) to the Centre as a management charge.

At the year end the Trust was due £69 from the Heritage Centre (2021: £18,504).

The Trust also provides the Heritage Centre with an interest free loan of £29,151 (2021: £29,151), to provide adequate working capital for the business.

The Trust's trading subsidiary Lindisfarne Heritage Centre Ltd pays Lindisfarne Links, run by trustee G. Porter, for website hosting services of £165 (2021: £165).

12. Government Grants

A total of £5,334 (2021: £24,336) from government grants was received during the year.

13. Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

14. Tangible fixed assets

	Land and buildings	Leasehold property	Plant and machinery	Fixtures and fittings	Total
	£	£	£	£	£
Cost					
At 1 January 2022	1,533,197	593,333	72,230	288,803	2,487,563
Additions	0	0	0	0	0
As at 31 December 2022	<u>1,533,197</u>	<u>593,333</u>	<u>72,230</u>	<u>288,803</u>	<u>2,487,563</u>
Depreciation					
At 1 January 2022	101,885	232,546	72,230	253,727	660,388
Charge for the year	12,700	23,733	0	7,703	44,136
As at 31 December 2022	<u>114,585</u>	<u>256,279</u>	<u>72,230</u>	<u>261,430</u>	<u>704,524</u>
Net book values					
At 1 January 2022	1,431,312	360,787	0	35,076	1,827,175
At 31 December 2022	<u>1,418,612</u>	<u>337,054</u>	<u>0</u>	<u>27,373</u>	<u>1,783,039</u>

Kyle Gardens and Tudor Flats, two of the company's investment properties were revalued by Tony Ives FRICS on 23 July 2009. The independent RICS revaluation on the basis of assumptions as to rents, security of tenure and capitalisation of income the values determined for 1-5 Kyle Gardens was £290,000 and 1 and 2 Tudor Flats was £215,000. Green Lane is currently valued at cost. The trustees confirm that these values continue to reflect current market value. In March 2009 a valuation of the assets was undertaken in support of their use as security to support a Triodos mortgage application. The valuations were carried out on the basis that there would be limited open market value on the property given its unmarketability and restricted rent and usage. In the trustees' opinion recoverable value of the assets is fairly stated in the financial statements. All fixed assets are held for the direct furtherance of the charity's objectives.

15. Investments

The trust has a wholly owned subsidiary trading company, Lindisfarne Heritage Centre Limited. The share capital is held by Holy Island of Lindisfarne Community Development Trust, which holds two £1 ordinary shares. Lindisfarne Heritage Centre Limited will rent the resource centre from the trust and all of its profits are to be covenanted to the trust. The company commenced trading in August 2000. The Trust also provides the Heritage Centre with an interest free loan of £29,151 (2021: £29,151), to provide adequate working capital for the business. The activities and results of this company are summarised in note 5.

16. Stock

	2022	2021
	£	£
Oil	2,608	1,960
	<u>2,608</u>	<u>1,960</u>

17. Debtors

	2022	2021
	£	£
Trade debtors	841	765
Prepayments	7,760	5,768
Other debtors	0	392
Amounts due from subsidiary undertaking	0	18,504
	8,601	25,429

18. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loan	9,769	13,547
Trade creditors	19,126	15,203
Accruals	4,197	2,653
	33,092	31,403

19. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Secured bank loan (falling due in less than 5 years)	44,480	59,098
Secured bank loan (falling due in more than 5 years)	86,360	125,168
	130,840	184,266

There is a legal charge over land and property owned by the Trust at Kyle Gardens, Tudor Flats and the Lindisfarne Centre, and a fixed and floating charge over all other assets as security for the bank loans. The aggregate amount of secured liabilities is £140,610 (2021: £197,823). The loan is for a period of 25 years from February 2008. Interest on the loan is base rate linked and is currently charged at 5.25% per annum.

20. Contingent liabilities

A contingent liability exists in respect of the property, formerly known as the Castle Hotel, and which the charity now owns. If the charity were to sell the property, the £75,000 grant received towards its purchase from the Tudor Trust would become repayable.

21. Analysis of movements of funds

	Balance 1 Jan 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance 31 Dec 2022 £
Restricted Funds					
Housing	1,004,126	52,105	22,894	(4,693)	1,028,644
Lifeboat House	62,146	3,218	5,261	(1,500)	58,603
Lookout and Rocket	370,901	5,891	25,291	(1,500)	350,001
Holy Island 2050	7,977	15,000	18,919	-	4,058
Harbour Capital	209,318	-	4,864	-	204,454
	1,654,468	76,214	77,229	(7,693)	1,645,760
Designated Funds					
Lindisfarne Centre	43,125	3,000	3,033	(1,842)	41,250
Harbour	37,302	6,305	2,951	(1,500)	39,156
Garden	4,933	0	357	-	4,576
	85,360	9,305	6,341	(3,342)	84,982
Unrestricted funds					
HILCDT	114,161	10,746	18,998	11,035	116,944
Total charitable funds	1,853,989	96,265	102,568	-	1,847,686

A transfer of £4,693 between Housing Funds and Unrestricted Funds is a management fee to cover overhead costs in managing the affordable housing portfolio; this has been agreed at 10% of gross rental income per annum. Transfers from other Restricted and Designated Funds to Unrestricted Funds covered overhead costs and building repairs and renewals for 2022.

22. Analysis of consolidated net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	33,372	67,419	1,711,401	1,812,192
Cash at bank and in hand	104,895	19,563	74,968	199,426
Other net assets (liabilities)	(21,323)	(2,000)	(9,769)	(33,092)
Creditors of more than one year	-	-	(130,840)	(130,840)
Total	116,944	84,982	1,645,760	1,847,686

23. Financial instruments

Financial instruments measured at amortised cost comprise the loan financing provided by Triodos Bank to the Trust.

	2022 £	2021 £
Loan payable falling due within 1 year	9,769	13,547
Loan payable falling due in more than 1 year but less than 5 years	44,480	59,098
Loan payable falling due after 5 years	86,360	125,168
	140,609	197,813

The loan financing is in the form of a secured loan with a variable interest rate. The market risk facing the Trust is that it is expected that interest rates will rise.

24. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net movement in funds	(6,303)	28,928
Add back depreciation charge	44,136	49,560
Deduct interest income shown in investing activities	(448)	(1,233)
Increase in stock	(648)	(122)
Decrease (increase) in debtors	16,828	(11,495)
Increase (decrease) in creditors	1,689	(1,431)
Net cash generated by operating activities	55,254	64,207