

Lyvennet Community Trust

(A company limited by guarantee)

**Annual Report and Financial
Statements**

31 August 2021

Company registration number: 06996964

Charity registration number: 1139327



Lyvennet Community Trust

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Lyvennet Community Trust
Reference and Administrative Details

Charity name	Lyvennet Community Trust	
Charity registration number	1139327	
Company registration number	06996964	
Principal office	9-10 Stoneworks Garth Crosby Ravensworth PENRITH CA10 3JE	
Registered office	9-10 Stoneworks Garth Crosby Ravensworth PENRITH CA10 3JE	
Trustees	R A Bird D M Graham D K Henderson A S T Holroyd Cllr J Raine S Roberts D C Smith (Resigned 16 August 2021) K E Winder E Rowell (Appointed 22 September 2021)	
Accountant	Dodd & Co Limited FIFTEEN Rosehill Montgomery Way Rosehill Estate CARLISLE CA1 2RW	

Lyvennet Community Trust

Trustees' Report for the Year Ended 31 August 2021

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 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.

Structure and Governance

The Trust is governed by its memorandum and articles of association 20 August 2010 as amended 26 September 2010.

Recruitment and appointment of trustees.

In January 2009, an open community housing meeting, chaired by the Parish Council, brought interested locals up to date with the outcomes of the Parish Housing Survey, and introduced the concept of Community Land Trusts (CLT). A steering group was duly formed (the Crosby Ravensworth Housing Steering Group) comprising County, District and Parish Councillors, along with interested representatives from the community. The remit of the group was to explore the provision of local affordable homes via a CLT.

A decision was made to set up Lyvennet Community Trust, incorporated as a company limited by guarantee, and interested parties were invited to apply to become a founding trustee.

Trustees will then be elected once a year at the Annual General Meeting.

Objectives and activities

The objects of the Trust as set out by the governing document are:

- To carry on, on a not for profit basis, for the benefit of the community primarily in the area of the Lyvennet Valley incorporating the parishes of Crosby Ravensworth and King's Meaburn:
- the provision of social housing and associated amenities for those in need by reason of financial hardship; and
- such other charitable purposes as may be from time to time determined subject to the prior written consent of the charity commission.

The Trust aims to achieve these objectives through the provision of affordable housing for rental purposes.

In determining these objectives and activities the Trustees have paid due regard to the Charity Commission guidance on public benefit.

Achievements and performance

The Trust continues to raise funds through rental income.

Financial review

The Trust's results for the year ended 31 August 2021 show a surplus of income over expenditure. This is due to the rental income received. Reserves at the year end are £249,807, including cash at bank of £19,777. Free reserves after adding back deferred income are £(5,409). The trustees aim to hold 3 months worth of expenses in reserves. The reserve policy has therefore been exceeded in the year.

Lyvennet Community Trust
Trustees' Report for the Year Ended 31 August 2021

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 25 January 2022 and signed on its behalf by:

.....

D M Graham
Trustee

Lyvennet Community Trust

Trustees' Responsibilities in relation to the Financial Statements

The trustees (who are also directors of Lyvennet Community Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company 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 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 charitable company will continue in business.

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

**Independent Examiner's Report to the Trustees of
Lyvennet Community Trust**

I report on the accounts of the company for the year ended 31 August 2021, which are set out on pages 6 to 15.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company 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 Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145 (5) (b) of the 2011 Act; and
- 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:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - 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 Charitieshave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
Joanne Thomlinson FCA
Dodd & Co Limited
Chartered Accountants

25 January 2022

FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

Lyvennet Community Trust

**Statement of Financial Activities (including Income and Expenditure Account) for the Year
Ended 31 August 2021**

		Unrestricted Funds	Total Funds 2021	Total Funds 2020
	Note	£	£	£
Income and endowments from:				
Donations and legacies	2	13,242	13,242	13,042
Income from charitable activities	3	64,575	64,575	65,713
Total income and endowments		<u>77,817</u>	<u>77,817</u>	<u>78,755</u>
Expenditure on:				
Charitable activities		61,232	61,232	64,280
Total expenditure		<u>61,232</u>	<u>61,232</u>	<u>64,280</u>
Net movements in funds		16,585	16,585	14,475
Reconciliation of funds				
Total funds brought forward		233,222	233,222	218,747
Total funds carried forward		<u>249,807</u>	<u>249,807</u>	<u>233,222</u>

All of the Charity's activities derive from continuing operations during the above periods.

All income and expenditure in 2020 was unrestricted.

Lyvennet Community Trust
Company registration number: 06996964
Balance Sheet as at 31 August 2021

		2021		2020	
	Note	£	£	£	£
Fixed assets					
Tangible assets	8		1,338,796		1,365,349
Current assets					
Debtors	9	509		396	
Cash at bank and in hand		19,777		13,423	
		<u>20,286</u>		<u>13,819</u>	
Creditors: Amounts falling due within one year	10	<u>(38,737)</u>		<u>(40,616)</u>	
Net current liabilities			<u>(18,451)</u>		<u>(26,797)</u>
Total assets less current liabilities			1,320,345		1,338,552
Creditors: Amounts falling due after more than one year	11		<u>(1,070,538)</u>		<u>(1,105,330)</u>
Net assets			<u>249,807</u>		<u>233,222</u>
The funds of the charity:					
Unrestricted funds					
Unrestricted income funds			<u>249,807</u>		<u>233,222</u>
Total charity funds			<u>249,807</u>		<u>233,222</u>

For the financial year ended 31 August 2021, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

Approved by the Board on 25 January 2022 and signed on its behalf by:

.....
D M Graham
Trustee

Lyvennet Community Trust
Cash Flow Statement for the Year Ended 31 August 2021

	2021	2020
	£	£
Net cash provided by (used by) operating activities		
Net income for the period	16,585	14,475
Depreciation charges	26,553	26,553
Increase in debtors	(113)	(6)
Decrease in creditors	<u>(15,315)</u>	<u>(10,744)</u>
	27,710	30,278
Net cash provided by (used in) financing activities		
Repayment of borrowings	<u>(21,356)</u>	<u>(19,800)</u>
	(21,356)	(19,800)
Increase in cash	<u><u>6,354</u></u>	<u><u>10,478</u></u>

The notes on pages 9 to 15 form an integral part of these financial statements.

Lyvennet Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

The charitable company 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 notes.

Going concern

These financial statements have been prepared on a going concern basis.

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 Charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

The charity has net current liabilities at 31 August 2021 and meets its day to day working capital requirements from the rental income that it receives. On the basis of this and on the basis that the loans do not become repayable before the end of the loan term, the trustees consider it appropriate to prepare the financial statements on the going concern basis.

However, should the loans be called in, and the charity is therefore unable to continue operating, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and current liabilities.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Further details of each fund are disclosed in note 14.

Lyvennet Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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Income and endowments

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measured with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

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.

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fixed assets

Individual fixed assets costing £100 or more are initially recorded at cost.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Buildings	2% straight line basis upon completion
Land	Not depreciated

Trade Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Lyvennet Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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Liabilities

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2 Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Donations and legacies			
Donations	200	200	-
Amortisation of housing scheme grants	13,042	13,042	13,042
	<u>13,242</u>	<u>13,242</u>	<u>13,042</u>

3 Income from charitable activities

	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Other income	726	726	718
Rental income	63,849	63,849	64,995
	<u>64,575</u>	<u>64,575</u>	<u>65,713</u>

Lyvennet Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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4 Expenditure

	Affordable housing	Total 2021	Total 2020
	£	£	£
Direct costs			
Insurance	965	965	1,018
Repairs and maintenance	5,429	5,429	5,471
Management charges payable	9,114	9,114	9,041
Website	-	-	100
Legal and professional fees	300	300	300
	<u>15,808</u>	<u>15,808</u>	<u>15,930</u>
Support costs			
Sundry expenses	618	618	604
Accountancy fees	960	960	960
Independent examiner's fee	600	600	600
Bank charges	92	92	83
Loan interest	16,601	16,601	19,550
Depreciation of freehold property	26,553	26,553	26,553
	<u>45,424</u>	<u>45,424</u>	<u>48,350</u>
	<u>61,232</u>	<u>61,232</u>	<u>64,280</u>

5 Governance costs

	2021	2020
	£	£
Accountancy fees	960	960
Independent examiner's fee	600	600
Management charges payable	9,114	9,041
Legal and professional fees	300	300
	<u>10,974</u>	<u>10,901</u>

6 Trustees' remuneration and expenses

No trustees received any remuneration during the year.

7 Net income

Net income is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets	<u>26,553</u>	<u>26,553</u>

Lyvennet Community Trust
Notes to the Financial Statements for the Year Ended 31 August 2021

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8 Tangible fixed assets

	Freehold interest in land and buildings £
Cost	
As at 1 September 2020 and 31 August 2021	1,580,325
Depreciation	
As at 1 September 2020	214,976
Charge for the year	26,553
As at 31 August 2021	241,529
Net book value	
As at 31 August 2021	1,338,796
As at 31 August 2020	1,365,349

9 Debtors

	2021 £	2020 £
Prepayments and accrued income	509	396

10 Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	22,542	22,148
Trade creditors	1,515	3,788
Accruals and deferred income	14,680	14,680
	38,737	40,616

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the charity:

	2021 £	2020 £
Bank loans and overdrafts	22,542	22,148

Lyvennet Community Trust
Notes to the Financial Statements for the Year Ended 31 August 2021

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11 Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	548,286	570,036
Accruals and deferred income	522,252	535,294
	<u>1,070,538</u>	<u>1,105,330</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the charity:

	2021	2020
	£	£
Bank loans and overdrafts	<u>548,286</u>	<u>570,036</u>

12 Members' liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

13 Related parties

Controlling entity

The charity is controlled by the trustees who are all directors of the company.

14 Analysis of funds

	At 1 September 2020	Incoming resources	Resources expended	At 31 August 2021
	£	£	£	£
General Funds				
Unrestricted income fund	<u>233,222</u>	<u>77,817</u>	<u>(61,232)</u>	<u>249,807</u>

Lyvennet Community Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

..... continued

Prior period

	At 1 September 2019	Incoming resources	Resources expended	At 31 August 2020
	£	£	£	£
General Funds				
Unrestricted income fund	<u>218,747</u>	<u>78,755</u>	<u>(64,280)</u>	<u>233,222</u>

15 Net assets by fund

	Unrestricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£
Tangible assets	1,338,796	1,338,796	1,365,349
Current assets	20,286	20,286	13,819
Creditors: Amounts falling due within one year	(38,737)	(38,737)	(40,616)
Creditors: Amounts falling due after more than one year	<u>(1,070,538)</u>	<u>(1,070,538)</u>	<u>(1,105,330)</u>
Net assets	<u>249,807</u>	<u>249,807</u>	<u>233,222</u>

Prior period

	Unrestricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£
Tangible assets	1,365,349	1,365,349	1,391,902
Current assets	13,819	13,819	3,335
Creditors: Amounts falling due within one year	(40,616)	(40,616)	(35,344)
Creditors: Amounts falling due after more than one year	<u>(1,105,330)</u>	<u>(1,105,330)</u>	<u>(1,141,146)</u>
Net assets	<u>233,222</u>	<u>233,222</u>	<u>218,747</u>