

Lyonsdown Community Trust - Year to 5 April 2021

Trustees' Annual Report and Review of Financial Activities

Aims and Purposes

The primary object of the Lyonsdown Community Trust (referred to as "the Trust" in this report) is, for the public benefit, to advance the Christian faith in Lyonsdown, in the district of New Barnet, in the London Borough of Barnet, and surrounding districts: through the provision of affordable accommodation in a Christian community; through the holding of Bible study meetings and other open events; through the running of affordable holidays in a Christian environment; and through such other projects as the Trustees may from time to time think fit.

Objectives and Activities

The Trust was set up in November 2015 to formalise the charitable work that had been ongoing from the premises at 40/42 Station Road for several years. Its current strategy is fourfold:

1) *providing affordable accommodation in a Christian community*

A repairing lease on the premises at 40 Station Road was executed on 25th May 2016.

A second house at 41 Northumberland Road was bequeathed to the Trust on 11th February 2019.

We provide affordable rentable rooms within self-contained flats in two large houses which include several large common rooms. The residents include both Christian believers and newcomers. The strategy is based on John 13:35: "By this all people will know that you are my disciples, if you have love for one another."

A total of 9 large rooms, 5 medium-sized and 7 small rooms are now available for anyone willing to live in a Christian community, but there is often a waiting list for new applicants.

2) *running affordable holidays in a Christian environment*

This year our holiday destination was a former miner's cottage in Cymmer in the Afan Valley of South Wales. The holiday was limited to 4 adults because of the covid-19 restrictions.

The Bible is taught each day on these holidays, which use self-catering accommodation.

3) *arranging day trips and other open events*

These events this year have included a small garden barbecue, featuring a Bible talk. The larger events, normally held at Christmas and Chinese New Year, were not possible due to the covid-19 restrictions.

4) *holding Bible study meetings*

We run weekly Bible study meetings, at which the Bible, as the Word of God, is taught interactively.

Newcomers are particularly welcome and a community meal would normally be included.

In planning the activities for the year, the Trustees have considered the Commission's guidance on public benefit and, in particular the specific guidance on charities for the advancement of religion.

Benefits following from the Aims

Communication of the Christian message is achieved not only by direct teaching and talks, but also by experiencing Christian love and fellowship through living together in a faith community.

In teaching and encouraging existing Christians, the community of believers is built up in maturity, sharing in each other's joy and providing comfort and practical help to those in need.

In seeking new followers of Christ, the potential adherent is offered not only the future promise of eternal life, but also the more demonstrable benefit, both to the individual and to society, that comes from:

- having a clear purpose in life;
- freedom from guilt, through the forgiveness of sin;
- spiritual wisdom and strength to persevere in the face of suffering and persecution;
- the path to godliness and sanctification in the service of God and man.

Awareness and understanding of the Christian faith contributes:

- to the spiritual and moral education of all, through our provision of activities and teaching for all ages;
- towards a better society by promoting social cohesion, through an inclusive environment that represents many local ethnic groupings.

The Trust's activities are open to anyone (on a first come basis where numbers are limited) and are advertised by flyers and by word of mouth. Our followers come from many nationalities and ethnic groups and include single parent families.

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Detriment or Harm

The Scriptures are very clear about the harm that can come from false teaching, so we always take great pains to ensure that all the teaching is clear and accurate and entirely based on the truth revealed in the Bible. As a further safeguard, we have given another established Christian charity, the Friends of Holy Trinity Lyonsdown, the right to nominate a trustee to our board.

Achievements and Performance

Voluntary income of £2,500 was received in the current year to 5 April 2021 (£3,873 in 2019/20) and the rent and activities generated £63,170 (£48,450 in 2019/20). Expenditure of £71,038 directly benefitted the charitable work (£45,444 in 2019/20), with no support costs (and none in 2019/20).

The provision of some subsidised places meant that the holiday made a loss of £460 this year (loss of £214 in 2019/20).

An additional flat has been leased this year, but had to be converted to residential accommodation. A programme of building restoration has also commenced. The accommodation consequently made a loss of £7,408 (surplus of £3,819 in 2019/20).

Bible studies have been held every Friday evening throughout the period, with an average attendance of twelve adults. Since the covid-19 restrictions, the series on the books of Exodus and Job has continued effectively on-line, using Zoom, with no reduction in attendance. Recordings of the study are posted in Dropbox.

Financial Review and Financial Policies

Over the year there was a net operating deficit of £5,368 (surplus of £6,879 in 2019/20). However, there was a gain in the value of the freehold house of £59,000 (£12,000 in 2019/20).

Reserves Policy

“Reserves” describe that part of the funds that is freely available for general purposes at the discretion of the Trustees, but which is not yet spent, committed or designated, i.e. surplus liquid assets excluding endowments, restricted funds, designated funds and fixed assets held for the purposes of the Trust.

The Reserves Policy sets the level of financial reserves, in line with the guidance issued by the Charity Commission, in order to maximise the resources available for the work of the Trust.

The level at which these reserves is set should be adequate to cover the following elements:

- normal working capital (say £2,000);
- six months' operating expenses of the Trust (say £35,000);
- any other contingencies or risks, assessed on the best evidence reasonably available, the likelihood of each of those needs arising, the possibility of support from elsewhere, and the potential consequences of the Trust not being able to meet those needs.

The maximum reserves figure for 2020/21, calculated on the basis of the above policy, is £37,000. There was actually £29,201 held in reserve on 5th April 2021 (£34,569 in reserve on 5th April 2020).

Investment Policy and Performance

It is the responsibility of the Trustees to review the performance of all investments from time to time. No investments are held at this present time.

The Trustees are also free to make loans as they see fit, but to take advice on the terms and rate of interest before doing so.

Grant-Making Policy

The Trustees have no current plans to make grants.

Fund-Raising

Fund-raising is not seen as necessary at present, as it is intended that the required resources will be provided by rental income.

Risk Assessment

It is the responsibility of the Trustees to identify, assess and mitigate any major risks to which it is exposed.

No major risks have been identified at the present time. The covid-19 pandemic has not adversely affected the Trust's income, although two rents were deferred for a period of time.

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Plans for the Future

In the summer of 2021, due to the covid-19 restrictions, we are just planning to take a small group from the two houses to a country cottage in the UK, staying in self-catering accommodation.

Structure, Governance and Management

Governing Documents

The Trust was formed by Deed of Trust executed on 1st November 2015.

It was registered by the Charity Commission as Charity Number 1165009 on 4th January 2016.

Board of Trustees

The Trustees for 2020/21 were Mr John Govey (chairman), Mr Philip Wicksteed and Prof Derek Spurgeon. The Trustees meet at least twice a year, two Trustees forming a quorum. Alternatively, decisions may be taken by means of a resolution in writing, signed by all the Trustees.

The induction and training of new trustees is based on the comprehensive information available from the Charity Commission website.

Related Charities

Although the Friends of Holy Trinity Lyonsdown (the Friends) has a right to appoint one Trustee to the Board, there is no majority of trustees in common and it is policy that all transactions between the two charities are on a commercial basis. It is therefore not considered that the Friends is a 'connected party' to the Trust so as to require further disclosure.

Administrative Information

The Trust is based at 40d Station Road, New Barnet, Hertfordshire EN5 1QH.

John Macrory acts as the Trust's solicitor at Macrory Ward, 27 Station Road, New Barnet, Herts. EN5 1PH.

A bank account (No 60623970) in the name of Lyonsdown Community Trust is held with Barclays Bank PLC, Leicester LE87 2BB (Code 20-95-61).

Annual Report approved by the Trustees and signed on their behalf by:



John Govey (chairman)

Date: 24th January 2022

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Statement of Financial Activities

		Total Funds 2020/21 Unrestricted	Total Funds 2019/20 Unrestricted
Income			
Donations and legacies	Notes	£	£
Gift aided donations		2,000	3,050
Gift Aid tax recovered		500	763
Non gift aided donations		<u>0</u>	<u>60</u>
Total donations and legacies		<u>2,500</u>	<u>3,873</u>
Income from charitable activities			
1) Rental income	2	62,010	47,000
2) Holiday income	3	<u>1,160</u>	<u>1,450</u>
Total income from charitable activities		<u>63,170</u>	<u>48,450</u>
Total Income		<u>65,670</u>	<u>52,323</u>
Expenditure			
Expenditure on charitable activities			
1) Residential property	2	69,418	43,181
2) Holidays – cottage rental and fuel	3	1,620	1,664
3) Day trips and Social events - refreshments		0	160
4) Bible study evenings – meals and lifts		0	415
5) Christian books – house library		<u>0</u>	<u>24</u>
Total Expenditure		<u>71,038</u>	<u>45,444</u>
Gains on revaluation of fixed assets			
<i>Unrealised - Freehold building</i>		<u>59,000</u>	<u>12,000</u>
Net Income		<u>53,632</u>	<u>18,879</u>
Net Movement in Funds		<u>53,632</u>	<u>18,879</u>
Total funds brought forward		<u>1,246,569</u>	<u>1,227,690</u>
Total funds carried forward		<u>1,300,201</u>	<u>1,246,569</u>

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Balance Sheet at 5 April

		2020/21 £	2019/20 £
Fixed Assets			
Freehold building: 41 Northumberland Road	5	<u>1,271,000</u>	<u>1,212,000</u>
Current Assets			
Debtors: Overpaid expenses		0	300
Debtors: HMRC tax reclaimed		0	13
Cash at bank: Current account		<u>29,201</u>	<u>34,782</u>
Total Current Assets		<u>29,201</u>	<u>35,095</u>
Liabilities – Amounts falling due within one year			
Creditors: Trustee expenses		0	496
Prepayments: September 2020 holiday		<u>0</u>	<u>30</u>
Total Current Liabilities		<u>0</u>	<u>526</u>
Total Net Current Assets		<u>29,201</u>	<u>34,569</u>
Total Net Assets		<u>1,300,201</u>	<u>1,246,569</u>
Funds	6		
Unrestricted		1,300,201	1,246,569
Restricted income funds		<u>0</u>	<u>0</u>
Total Charity Funds		<u>1,300,201</u>	<u>1,246,569</u>

Accounts approved by the Trustees and signed on their behalf by:



John Govey (chairman)

Date: 24th January 2022

The notes on pages 6 to 9 form part of these accounts.

Lyonsdown Community Trust - Year to 5 April 2021

Notes to the Financial Statements

Note 1 Accounting Policies

1a Basis of preparation

These financial statements have been prepared for the year to 5 April 2021.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 United Kingdom and Republic of Ireland (Charities SORP FRS 102) amended to February 2016 (Update Bulletin 1); the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) amended to July 2015; and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

1b Funds

General funds represent the funds of the Trust that are not subject to any restrictions regarding their use and are available for application on the general purposes of the Trust. Funds designated for a particular purpose by the Trustees are also unrestricted.

The financial statements include all transactions, assets and liabilities for which the Trustees are responsible in law.

1c Income

Donations and legacies

Donations are recognised when received by or on behalf of the Trust. Income tax recoverable on Gift Aid donations is recognised when the income is recognised. Grants and legacies to the Trust are accounted for as soon as the Trustees are notified of its entitlement, that receipt is probable and the amount due can be measured reliably.

As it is impractical for the contribution of volunteers to be measured reliably for accounting purposes, their voluntary work is not credited in the financial statements.

Income from charitable activities

All income from charitable activities is accounted for gross.

Investment income

Dividends are accounted for when due and payable. Interest entitlements are accounted for as they accrue. Tax recoverable on such income is recognised in the same accounting year.

1d Expenditure

Grants

Grants and donations are recorded when paid, or when awarded if that award creates a constructive obligation on the Trustees.

Support costs

Support costs represent expenditure that does not directly relate to a specific activity. All support costs have been allocated to charitable activities because any allocation between the specific activities would be immaterial.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1e Fixed Assets

Vehicles, Fixtures, Fittings and Office Equipment

Equipment is depreciated on a straight-line basis over three years. Individual items with a purchase price of £1,000 or less are written off on acquisition.

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Notes to the Financial Statements (continued)

1f Current Assets

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Stock and Work in Progress

This is not shown on the Balance Sheet, as no significant stock is held.

1g Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the trustees anticipate it will pay to settle the debt.

Income and expenditure relating to an event in a future period is shown as prepayments.

1h Statement of cash flows

The financial statements do not include a statement of cash flows as the Trust constitutes a small charity under the SORP as amended by Update Bulletin 1.

Note 2 Community Accommodation

2020/21	Income Rents £	Lease £	Expenditure Maintenance £	Services £	Conversion £	Surplus (deficit) £
40 Station Road	40,740	(24,000)	(19,296)	(12,827)	(5,674)	(21,057)
41 Northumberland Road	<u>21,270</u>	<u>0</u>	<u>(1,448)</u>	<u>(6,173)</u>	<u>0</u>	<u>13,649</u>
Total	<u>62,010</u>	<u>(24,000)</u>	<u>(20,744)</u>	<u>(19,000)</u>	<u>(5,674)</u>	<u>(7,408)</u>
2019/20						
40 Station Road	31,430	(18,000)	(5,932)	(10,404)	0	(2,906)
41 Northumberland Road	<u>15,570</u>	<u>0</u>	<u>(2,982)</u>	<u>(5,863)</u>	<u>0</u>	<u>6,725</u>
Total	<u>47,000</u>	<u>(18,000)</u>	<u>(8,914)</u>	<u>(16,267)</u>	<u>0</u>	<u>3,819</u>

Note 3 Holidays

2020/21	Income Charges £	Lettings £	Expenditure Transport £	Surplus (deficit) £
Afan Valley, South Wales	<u>1,160</u>	<u>(1,507)</u>	<u>(113)</u>	<u>(460)</u>
Total	<u>1,160</u>	<u>(1,507)</u>	<u>(113)</u>	<u>(460)</u>
2019/20				
Caernarfon, North Wales	<u>1,450</u>	<u>(1,427)</u>	<u>(237)</u>	<u>(214)</u>
Total	<u>1,450</u>	<u>(1,427)</u>	<u>(237)</u>	<u>(214)</u>

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Notes to the Financial Statements (continued)

Note 4 Related Party Transactions and Staff Employment

4a Trustee Remuneration

The key management personnel of the Trust constitute the Trustees.

No remuneration or expenses were paid to Trustees or other related parties in 2020/21, other than out-of-pocket expenses (and none in 2019/20).

No Trustees were paid in their role as a trustee in 2020/21 (and none in 2019/20).

4b Other Related Party Transactions

There were no other related party transactions in 2020/21 (and none in 2019/20).

4c Staff Costs and Emoluments

No staff were employed in 2020/21 (and none in 2019/20).

Note 5 Fixed Assets

Tangible Fixed Assets:

Freehold Buildings at valuation

	2020/21 £	2019/20 £
At 6 April	1,212,000	1,200,000
Increase in valuation	<u>59,000</u>	<u>12,000</u>
At 5 April	<u>1,271,000</u>	<u>1,212,000</u>

The freehold property comprises a bequest of a residential detached house at 41 Northumberland Road, New Barnet, Hertfordshire EN5 1EB. The transfer was completed on 11th February 2019. It is revalued annually using the Nationwide Building Society house price index for Greater London and is used to carry out the Trust's charitable purposes.

Reconciliation of Movements in Unrealised Gains and Losses on Fixed Assets

	Freehold Building £	Total £
Unrealised gains at 6 April	12,000	12,000
Gains made during the year	<u>59,000</u>	<u>59,000</u>
Unrealised gains at 5 April	<u>71,000</u>	<u>71,000</u>

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Note 6 Fund Details

All charity funds are currently unrestricted. There were no restricted income or designated funds in 2020/21 (and none in 2019/20).

Summary of Fund Movements

	Balance £ 6 April	Income £	Expenditure £	Gains £	Funds £ 5 April
General funds	<u>1,246,569</u>	<u>65,670</u>	<u>71,038</u>	<u>59,000</u>	<u>1,300,201</u>
Total	<u>1,246,569</u>	<u>65,670</u>	<u>71,038</u>	<u>59,000</u>	<u>1,300,201</u>

Analysis of Net Assets by Fund

	Unrestricted Funds £	Restricted Income Funds £	Total £
Fixed Assets	1,271,000	0	1,271,000
Current Assets	29,201	0	29,201
Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance	<u>1,300,201</u>	<u>0</u>	<u>1,300,201</u>

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Independent Examiner's Report to the Trustees of Lyonsdown Community Trust

I report on the financial statements of Lyonsdown Community Trust, for the year ended 5th April 2021, as set out on pages 4 to 9.

Respective Responsibilities of Trustees and Examiner

The charity's trustees are responsible for the preparation of the financial statements. The charity's trustees consider that an audit is not required for this year (under section 144(2) of the Charities Act 2011 (the Act)) and that an independent examination is needed.

It is my responsibility to:

- examine the financial statements (under section 145 of the Act);
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Act); and
- 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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from the 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 financial statements 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 130 of the Act; and
 - to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the Acthave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Signed:

Date: 23rd January 2022

Annette Foster

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