

Charity registration number 273336

Company registration number 00135234 (England and Wales)

LETCHWORTH CIVIC TRUST
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

LETCHWORTH CIVIC TRUST
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

M Iredale
D P M Allen
P M Jackson
K J R Jones
I Mantle
M R Muir
L A Needham, Chairperson
C A Rogers
C Sparshott, Treasurer
J A Williams
P C Weeder

(Appointed 18 March 2023)

Secretary

S Jenkins

Charity number

273336

Company number

00135234

Principal address

5 Gernon Walk
Letchworth Garden City
Hertfordshire
SG6 3HW

Registered office

PO Box 501
The Nexus Building
Broadway
Letchworth Garden City
Herts
SG6 9BL

Independent examiner

UHY Hacker Young
PO Box 501
The Nexus Building
Broadway
Letchworth Garden City
Herts
SG6 9BL

LETCHWORTH CIVIC TRUST
(A COMPANY LIMITED BY GUARANTEE)
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LETCHWORTH CIVIC TRUST
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 30 JUNE 2023

The trustees present their annual report and financial statements for the year ended 30 June 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's governing document, the Companies Act 2006 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 2019)".

Objectives and activities

The objectives of the trust are to promote and advance charitable purposes for the benefit of the public of Letchworth Garden City and its immediate neighbourhood. This is achieved primarily by the distribution of income, by way of grants to individuals, schools, clubs and other organisations operating in Letchworth Garden City.

The trust has continued its educational grant support to the university student and further education population and other school pupils and students in Letchworth Garden City. The trust also gives grants to a number of charitable organisations. The number and size of grant applications received from charities during the year is similar to the previous year. A website has increased awareness of the trusts's existence.

The trust has no plans to change its objectives or the means to achieve them.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the trust should undertake.

Achievements and performance

There has been a 28% increase in the number of 1st year students applying this year for educational support grants to help them at university. There has been a large increase in primary school applications driven possibly by the cost of living squeeze.

The trust has made a surplus in the year.

No investments have been made during the year. The overall value of the investments has decreased during the year, causes being the invasion of Ukraine, political turmoil, rising inflation and interest rates.

Financial review

The trustees have noted the risks associated with changes in global markets, particularly the war in Ukraine, and are closely monitoring the returns on the trust's investments. Income via dividends for the year has been above that forecast, and also above that of the previous year. Despite the impact of Covid-19 on financial markets, the trust is in a healthy financial position.

Under the reserves policy of the trust, the trustees aim to maintain free reserves in unrestricted funds at a level to meet the anticipated grant applications and governance costs in the period up to the receipts of significant income from investments and grants.

The balance held as unrestricted at 30 June 2023 was £224,318 all of which are regarded as free reserves, against anticipated expenditure of £60,000 up to the end of October 2023. The trustees consider that these reserves will be adequate to meet the requirements of the reserves policy.

The major investments are held primarily for their income potential and capital growth.

Structure, governance and management

The charity is controlled by its governing document, the Memorandum and Articles of Association dated 15 April 1914 as amended 14 June 2022. The trust is established as a company limited by guarantee.

**LETCHWORTH CIVIC TRUST
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

M Iredale
D P M Allen
P M Jackson
K J R Jones
I Mantle
M R Muir
L A Needham, Chairperson
C A Rogers
C Sparshott, Treasurer
J A Williams
P C Weeder

(Appointed 18 March 2023)

Trustees are either elected as term trustees or appointed by the Letchworth Garden City Heritage Foundation (LGCHF), North Herts District Council (NHDC) or Herts County Council (HCC).

Decision making

The trustees:

- Adopt a policy of distribution of all income, net of expenses, by way of grants. The accumulated funds are maintained so as to achieve future income at a level needed to maintain future expenditure.
- Approve all grant applications prior to payment, and all investments policy decisions, although the day to day administration is undertaken by the secretary.
- Consider the major risk to be the diminution of the value of and returns on its investments. The trustees review the investment policy and mitigate this risk by following a widespread investment policy.

The trustees hold four board meetings in each year. Where necessary, a sub committee of the trustees meets in between board meeting to process additional grant applications.

The trustees' report was approved by the Board of Trustees.



.....
L A Needham, Chairperson
Trustee

23/8/2023

Date:

**LETCHWORTH CIVIC TRUST
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF LETCHWORTH CIVIC TRUST**

I report to the trustees on my examination of the financial statements of Letchworth Civic Trust (the trust) for the year ended 30 June 2023.

Responsibilities and basis of report

As the trustees of the trust (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

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

Independent examiner's statement

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

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

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



24 August 2023

Scott Rouse FCA
UHY Hacker Young

PO Box 501
The Nexus Building
Broadway
Letchworth Garden City
Herts
SG6 9BL

Dated:

LETCHWORTH CIVIC TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Income from:</u>			
Donations and legacies	3	-	15,000
Investments	4	107,151	95,031
Total income		<u>107,151</u>	<u>110,031</u>
<u>Expenditure on:</u>			
Charitable activities	5	<u>76,553</u>	<u>94,827</u>
Net gains/(losses) on investments	9	<u>(35,501)</u>	<u>(8,167)</u>
Net movement in funds		(4,903)	7,037
Fund balances at 1 July 2022		<u>1,128,836</u>	<u>1,121,799</u>
Fund balances at 30 June 2023		<u><u>1,123,933</u></u>	<u><u>1,128,836</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

LETCHWORTH CIVIC TRUST
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET

AS AT 30 JUNE 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investments	10		902,077		937,578
Current assets					
Debtors	12	130		-	
Cash at bank and in hand		224,318		194,558	
		<u>224,448</u>		<u>194,558</u>	
Creditors: amounts falling due within one year	13	(2,592)		(3,300)	
Net current assets			221,856		191,258
Total assets less current liabilities			<u>1,123,933</u>		<u>1,128,836</u>
Income funds					
Unrestricted funds			1,123,933		1,128,836
			<u>1,123,933</u>		<u>1,128,836</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2023.

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.


The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 23/8/2023



L A Needham, Chairperson
Trustee



C Sparshott, Treasurer
Trustee

Company Registration No. 00135234

LETCHWORTH CIVIC TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

Charity information

Letchworth Civic Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is PO Box 501, The Nexus Building, Broadway, Letchworth Garden City, Herts, SG6 9BL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's governing document, the Companies Act 2006 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 2019)". The trust is a Public Benefit Entity as defined by FRS 102.

The trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the trust.

1.4 Income

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

LETCHWORTH CIVIC TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

LETCHWORTH CIVIC TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the trust transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

1.9 Taxation

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

2 Critical accounting estimates and judgements

In the application of the trust's accounting policies, the trustees are required to make judgements, 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 to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Valuation of unlisted investments

The company adopts the following policy using the principles outlined below, taking into account the specific circumstances of itself and the nature of its investment in Letchworth Housing Investments Limited.

The unlisted investment is valued on the assets basis, applying a minority interest discount of 70% reflecting the limited market for the asset. At each statement of financial position date, an impairment test is undertaken in order to determine whether any impairment is required for the investment by comparing the investment's carrying value to its estimated recoverable amount.

The recoverable amount is based on the net asset value of the underlying asset and is sensitive to the discount rate used.

LETCHWORTH CIVIC TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

3 Donations and legacies

	Total	Unrestricted funds
	2023	2022
	£	£
Letchworth Garden City Heritage Foundation	-	15,000

4 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Letchworth Housing Investments Limited	86,940	77,760
COIF Charities Investment Fund	3,464	3,417
Charifund	15,025	13,772
Interest receivable	1,722	82
	<u>107,151</u>	<u>95,031</u>

5 Charitable activities

	2023	2022
	£	£
Honorarium	3,000	3,000
Office expenses	1,500	1,500
Bank charges	128	175
General expenses	307	790
	<u>4,935</u>	<u>5,465</u>
Grant funding of activities (see note 6)	68,884	84,607
Governance costs - Audit and accountancy	2,734	4,755
	<u>76,553</u>	<u>94,827</u>

LETCHWORTH CIVIC TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

6 Grants payable

	2023	2022
	£	£
Grants to institutions:		
Local schools	9,129	41,337
Friends of Norton Common	-	500
Dance Academy	-	1,000
NHDC Citizens Advice Bureau	5,000	5,000
Letchworth Garden City Eagles	-	500
North Herts Speakers	300	-
Wymondley Wood Scout Group	12,000	-
Make Lunch Letchworth	500	-
	<u>26,929</u>	<u>48,337</u>
81 University students received average grants of £500 for educational learning materials	40,500	31,500
5 individuals received average grants of £400 for educational, medical or sporting support	-	2,000
4 individuals received an average of £364 for miscellaneous local grants	1,455	2,770
	<u>68,884</u>	<u>84,607</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration from the trust during the year.

During the year, an honorarium of £3,000 and office expenses of £1,500 were paid to the secretary (2022 - £3,000 and £1,500 respectively).

8 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Total	<u>-</u>	<u>-</u>

There were no employees whose annual remuneration was more than £60,000.

LETCHWORTH CIVIC TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

9 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Revaluation of investments	<u>(35,501)</u>	<u>(8,167)</u>

10 Fixed asset investments

	Listed investments	Unlisted investments	Total
	£	£	£
Cost or valuation			
At 1 July 2022	467,578	470,000	937,578
Valuation changes	<u>(10,501)</u>	<u>(25,000)</u>	<u>(35,501)</u>
At 30 June 2023	<u>457,077</u>	<u>445,000</u>	<u>902,077</u>
Carrying amount			
At 30 June 2023	<u>457,077</u>	<u>445,000</u>	<u>902,077</u>
At 30 June 2022	<u>467,578</u>	<u>470,000</u>	<u>937,578</u>

The unlisted investments represent the charitable company's shareholding in Letchworth Housing Investments Limited, a company registered in England (Registered number 07128548), whose registered office address is Unit 1b, Focus Four, Fourth Avenue, Letchworth Garden City, Hertfordshire, England, SG6 2TU.

Revaluation

Listed investments are revalued using market value share prices at the balance sheet date. Unlisted investments are revalued based on a calculated recoverable amount on the net asset value of the underlying asset (details of which are included in note 2).

If fixed asset investments had not been revalued they would have been included at historical cost which is £294,905 (2022 - £294,905).

11 Financial instruments

	2023	2022
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	<u>902,077</u>	<u>937,578</u>

12 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	<u>130</u>	<u>-</u>

LETCHWORTH CIVIC TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

13 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	-	900
Accruals and deferred income	2,592	2,400
	<u>2,592</u>	<u>3,300</u>

14 Analysis of net assets between funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fund balances at 30 June 2023 are represented by:		
Investments	902,077	937,578
Current assets/(liabilities)	221,856	191,258
	<u>1,123,933</u>	<u>1,128,836</u>

15 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).