

Charity registration number 299635

THE LYRITA RECORDED EDITION TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE LYRITA RECORDED EDITION TRUST

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THE LYRITA RECORDED EDITION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their annual report and financial statements for the year ended 31 December 2021.

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 charity's governing document, the Charities Act 2011 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:

- The recording and preservation of premier and rare classical music works by British, Irish and Émigré composers who composed after 1860 and for their ultimate release to the public on the Lyrita Recorded Edition record label, which is wholly owned by the Trust.
- The preparation and possible publishing of British, Irish and Émigré compositions who composed after 1860 so that other performers, record labels and broadcasters can benefit from these discoveries.
- The preparation and possible publication of British, Irish and Émigré composer biographies and pamphlets who composed after 1860 so that students and a wider public can better know their musical contributions.
- The transfer, preparation and preservation of the "off-air" recordings made by the Trusts founder Mr. A. R. Itter and their subsequent gifting to the BBC Trust so that they may be broadcast and enjoyed by listeners worldwide.
- To work with other companies and charitable organisations who have likeminded objectives and, where appropriate, consider purchasing or taking over these entities.

The Trust has also seen its activities contributing significantly to the cultural life of the United Kingdom by working closely with other composer charities including the International Women In Music Festival, BBC Worldwide Trust and BBC National Orchestra and Chorus of Wales and trusts who pursue similar aspirations.

The main objectives for the year will be a slightly reduced release programme on the Lyrita record label, a focus on "Off-Air" transfers and research into the streaming and subscription platforms.

The strategies employed to achieve the Trusts objectives are:

- Research and recommend recording projects that meets the Trusts objectives.
- To sustain a level of release activity throughout the year which will maintain and enhance the profile of the Lyrita record label
- To secure know and make new links with composer trusts and charities who are working in similar fields.
- To encourage national and international recording and broadcasting organisations to programme works by British composers.
- To research and investigate other record labels that work in similar fields that may at some future time need or want to sell their catalogues. Lyrita Trust will engage in this activity to increase its profile and to preserve these recordings for future generations.
- To maintain a sustainable investment programme that generates sufficient funds to enable an ongoing recording programme.
- To consider merging with other like minded charities to grow the reach of Lyrita and its objectives.

THE LYRITA RECORDED EDITION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance

Throughout the period under review the Trust has worked actively to implement the policies it has formulated for achieving its objectives. These activities continued to fall into four main areas:

Releasing on Lyrita from the Itter Archive Collection

The archive releases have been deemed highly successful being well received by customers and critics. In most cases this endeavour is returning rare and otherwise unavailable recordings to the CD catalogue and at the same time making them available for download and streaming. Wyastone have ensured all titles are also presented to students via the Naxos Music Library which is available in all major universities and colleges worldwide. Release selections were made on the quality of performances, quality of recordings and that the items were either the only recording now available or were premier performances. In 2020 we made no releases from the Itter archive but concentrated on transferring many titles so that they can be released in 2021, 2022 and beyond if lockdown and disruption of live recordings continue.

Releasing on Cameo Classics from the Itter Archive Collection

Having completed the extensive assessment of the Itter Archive tapes it was discovered that a great many highly regarded non British archive recordings were also contained within the collection. Since these cannot be released via Lyrita it was decided to buy the failing label Cameo Classics. The British Orchestral titles were transferred to Lyrita for preservation and to raise their profile. The non British titles were assessed with the better quality recordings appearing under a new concept design for Cameo Classics. Cameo Classics will now become the release mechanism for Non British recordings that reside in the Itter Archive. This will better utilise the collection and will generate revenues which the Trustees can use to fund new recordings on Lyrita. Release selections were made on the quality of performances, quality of recordings and that the items were either the only recording now available or were premier performances.

January 2021 CC9128 Tame Cat and other song by British Composers

This title was originally released on the Cameo Classics label and it was decided to revive the title as there had been much interest in English Song. MusicWeb-International commented "Fourteen composers are represented with one song, or set, to his or her name. Given that much musical water has passed beneath the bridge in the near-forty years since its initial release this programming still wears a clever and thoughtful look."

June 2021 CC9133 Joan Sutherland In Performance 1957-1960

This double CD release presents the young Joan Sutherland in a rare Donizetti opera broadcast well before her Covent Garden breakthrough as Lucia. *"The listener is immediately drawn into her world of fantastical vocalism, regardless of the slightly alienating effect of the remote mono sound. We hear two live accounts of the same aria recorded fifteen months apart; the singing in both is superb, but the second is conducted in a much dreamier, more leisurely fashion by Sir Malcolm Sargent. Sutherland's voice sounds as if it has grown bigger and richer, too; deservedly thunderous applause breaks into the end of the aria. The Mad Scene tracks serve as a reminder of the impact of Sutherland's famous first stage performances of Lucia at Covent Garden and the concluding Bellini item, where at times the cliché "time stands still", such is the beauty and power of her singing, really does seem to apply, putting the seal on a collection of some of the most enchanting singing of the repertoire ever committed to posterity."* Musicweb-International

New Studio Releasing on the Lyrita Label

New Studio Recording had proved difficult during 2020 and 2021 with only a limited number of days being available and only small-scale ensembles being allowed in the same room. We were able to record and release one new studio recording:

October 2021 SRCD.395 Josef Holbrooke: Late Piano Music

The music on this disc dates from the composer's later years and are largely based on themes from his earlier successes. The inspiration for Holbrooke's music was almost always literary; hence, the large number of symphonic poems and pieces with literary titles or subtitles in his work list.

THE LYRITA RECORDED EDITION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

MusicWeb review "Callaghan's recordings are spry, vivid and full of optimistic romance and is clearly the superior technician. This is the disc to go to for Holbrooke's later works and I do hope that Lyrta have taped him in the earlier solo piano music. If you imagine that these piano pieces are merely skeletal abstractions, watered down versions of pieces like *Queen Mab*, *Ulalume* and other large-scale pieces on which they are based, I think you are in for a surprise. These are strong works in their own right and deserve a good hearing and in Callaghan's expert performances that is precisely what they receive."

"Off-Air" Archive Releasing on the Lyrta Label

As discussed, our main release activity during this period came from the "off-air archive" as this transfer process was able to continue largely unhindered by lockdown and social distancing. We were able to release six recordings:

March 2021 SRCD.390 Daniel Jones: Symphonies Nos. 3 & 5

"Thomson is a sensible and sensitive guide to this music. Recordings like this are a crucial way of breaking out of that paradox and Lyrta and ultimately the BBC are to be thanked wholeheartedly for taking a risk on this music. As for the listener, there is no risk – this music is a real treat!"

April 2021 SRCD.389 Robert Simpson: Symphonies Nos. 5 & 6

"For those yet to try the unique sound-world of Simpson I would strongly recommend that they do as this richly rewarding music. These performances reinforce the belief that Simpson was a symphonist of international stature and I suspect that this release of the premiere of Symphony No 5 might well prove to be one of the most revelatory archive/historical discs of the year." **Recording of The Month**

June 2021 SRCD.2392 Lennox Berkeley: Nelson An Opera In Three Acts

The opera centres on the love affair of Horatio Nelson, and Emma, Lady Hamilton. Completed in 1951, it was first performed in full in 1954. The British Embassy in Naples is the scene of a birthday party for Nelson, arranged to celebrate his victory at the Nile. He appears with 'the sadness of the world upon his lips' and while the other guests are dancing, Nelson, with Emma Hamilton, the Ambassador's wife, beside him, hears a servant foretell his future unhappiness. This releases the passionate feelings of the couple for each other and the conflict in their lives.

September 2021 REAM.1143 Gustav Holst: The Perfect Fool An Opera In One Act

"Full credit to Lyrta for this retrieval. The box artwork has been well selected. This work has never appeared in full on disc before and the archive sound quality is excellent. So, those intrigued to explore beyond the ballet music would be well advised to invest in this Lyrta release. The performance is captured in good BBC studio sound, which was recorded expertly off-air by Richard Iltis; his work has transferred well to CD. Lyrta have paid Holst the compliment of providing top class documentation. This is probably the only chance you'll ever have to hear The Perfect Fool on CD, so if you're curious, don't hesitate."

October 2021 REAM.2144 — Lennox Berkeley: Three One Act Operas - A Dinner Engagement, Ruth & Castaway

"There are four separate booklets. Three contain full libretti of each work whilst the fourth consists of an essay by Rob Barnett that contextualizes the works and adds a raft of pertinent material adding a couple of nice photographs. For those curious as to these works' performance history, in the singers and musicians who fashioned them into life, and who perform here with such personality, then I can strongly recommend this lovingly compiled set."

November 2021 SRCD.391 Daniel Jones: Symphonies Nos. 12 & 13

"...The music and the performances were done proper justice by the BBC engineers and Lyrta's transfers are very good indeed. As ever, Paul Conway's notes are thorough in terms of the background, and insightful and persuasive when it comes to describing the music. He certainly made it a lot easier for me to appreciate what I was hearing."

THE LYRITA RECORDED EDITION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Publishing Supported by Lyrita

Because most public performances were cancelled during this year we elected to delay publication of pieces until they could be presented alongside a performance. This provides a proper occasion when a work can be reviewed and also a launch platform for the works. It is hoped that the Publishing activity will resume in 2022.

Planning for Future Releases – We held two planning meeting via Zoom which assisted in the selection of many titles for transfer from the Off-Air archive.

Financial review

The trustees believe that, having significantly reduced the recording programme in 2020 we have maintained a sustainable recording and release policy which is fully achievable without having to regularly consume the Trusts capital. Again, we are able to create a forward annual budget based on cash reserves from sales of Lyrita CDs and Downloads plus the interest and growth from the Investments.

The charity made a deficit of £146,794 (excluding gains on investments) for the year ended 31st December 2021. The free reserves of the charity totalled £2,984,989.

Investment Policy

Under the trust deed of 23 June 1988, the charity has the power to invest in any way the trustees wish. It is decided to maintain a mixed portfolio so that all of the sales revenue and investment returns can be used to fund new recording projects. No action is recommended in respect of the management of funds. We held two Zoom meetings with Brunel Capital Partners, who provided us with advice and information regarding our investments and the wider global markets.

Reserves Policy

The trustees recognise that the principal source of income is from investments. To manage its current obligations the trustees have set the minimum value of those investments at £2,000,000. The trustees believe that this policy remains appropriate as a resource primarily intended to provide for the continued recording and release programme that is sustainable and that is not over or underwhelming the Classical Music market.

Risk Management

The global pandemic caused by international outbreaks of Coronavirus Covid-19 have continued to disrupt all aspects of the recording. It was shown that distribution and marketing were less severely impacted than previously imagined with many customers still being able to purchase online and via digital streaming services industry. LRET continued to monitor the impact of our recording programme and the earned and invested revenues, the recording and release programmes.

- We continued to reschedule recordings and we adjusted the release programme to reflect only projects that could be realistically realised during this year. We also placed greater emphasis on the off-air transfers as they could be produced in-house and whilst maintaining full social distancing guidelines.
- We recognised that Classical Music Sales were resilient during lockdown as our customers are almost all using mail order companies to buy CDs.
- Streaming revenues remained higher than usual and we placed more emphasis on planning and delivering playlists.
- We recognised that global financial and investment markets have suffered and will remain volatile during this period. As a result, we have decided to minimise our investment in new recordings. This is also in line with many recordings being postponed or cancelled due to travel or social distancing legislation. We will continue to monitor regularly.

The trustees have given consideration to other potential risks and identified that the stock market will come under significant pressure when economies begin to climb out of the recessions caused by the pandemic. WEL has ensured that all Lyrita recordings are properly represented on all current and known platforms to maximise their sales. The Trustees have decided to limit the budget for new recordings and marketing to the profits from sales, and from returns on investments. This will maintain the invested capital and eliminate risk.

THE LYRITA RECORDED EDITION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Plans for future periods

The Trust believes that a sustainable recording and release programme which utilises the Itter Archive of Off Air tapes plus new studio recordings of Orchestral and Chamber Music best serves the intentions of the Trusts Founder. Premier recordings of lesser known or forgotten composers continues to enrich the cultural heritage of British Classical Music whilst returning master recordings to the BBC Trust ensures that these rare performances can and will be enjoyed by future generations via broadcasts, CDs, Downloads and Streaming or via any yet to be known formats.

The trustees will continue to investigate larger projects that may require several years in preparation of manuscripts and parts. The Trustees will also look to acquire any catalogues of British Music that find themselves no longer able to survive under current trading conditions. These include NMC, Chandos, Somm, Dutton, CRD and others yet to be identified. Lyrita may also consider approaching The Nimbus Foundation who operate a studio for classical music recordings with the thought of this charity being merged or gifted to Lyrita in the future.

The Trustees also believe that they should make an approach to The Nimbus Foundation (TNF) to ascertain if it might be open to gifting the charity to LRET. TNF manages and owns the recording studio which Lyrita prefers to use and it is clear a majority of TNF Trustees are no longer looking towards the future.

Structure, governance and management

Governing document

The Lyrita Recorded Edition Trust is an unincorporated charitable trust governed by a trust deed of 13th May 2016. It is registered as a charity with the Charity Commission.

Appointment of trustees

The power of appointing new trustees is vested in the surviving trustees in office. The current trustee group, who were appointed as successors by the founder, seek to make new appointments that will ensure an independent, balanced and objective view of the Trusts activities.

Trustee induction and training

New trustees will typically already be familiar with the Recording and Release activity of The Trust. A full disclosure of all papers is made including minutes, current finances and the business plan. During 2021 we have been investigating candidates to become new Trustees and have created a full induction programme which now includes attending a recording session, attending an editing session and being briefed on all aspects of manufacturing, marketing, sales, distribution and promotion.

Organisation

The board of trustees, which is required to be not less than two and not more than 10 members, administers the charity. The board meets quarterly and makes all decisions by a majority vote of the trustees present. The Trust has no staff members and has entered into a long term Licence Agreement with Wyastone Estate Limited (WEL) to provide all manufacturing, sales, distribution, administrative functions, management and support for the Trusts day-to-day operations as authorised by the board.

Related Parties

Wyastone Estate Limited is an independent privately owned company operating a Business Park, printing, CD manufacturing and distribution business in Monmouth, UK. The company has a written agreement with The Trust to supply all administrative functions relating to the management of the record label and recording.

The company and the Trust currently have two director/trustees in common.

THE LYRITA RECORDED EDITION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Reference and administrative details

Charity name The Lyrita Recorded Edition Trust

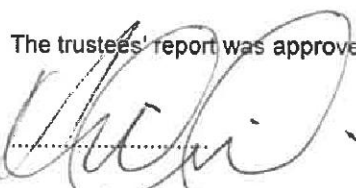
Charity number 299635

Trustees
Adrian Farmer
Antony Smith
Charlotte de Rothschild

Principal office
Wyastone Leys
Ganarew
Monmouth
NP25 3SR

Independent Examiner
Azets Audit Services
6 Agincourt Street
Monmouth
NP25 3DZ

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



Antony Smith - Trustee

Dated:

28/10/2022.

THE LYRITA RECORDED EDITION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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 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 charity will continue in operation.

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

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

THE LYRITA RECORDED EDITION TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE LYRITA RECORDED EDITION TRUST

I report to the trustees on my examination of the financial statements of The Lyrita Recorded Edition Trust (the charity) for the year ended 31 December 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of 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

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



Sarah Case FCA DChA

Azets Audit Services

6 Agincourt Street

Monmouth

Gwent

NP25 3DZ

United Kingdom

Dated: 31 October 2022

THE LYRITA RECORDED EDITION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income from:</u>			
Charitable activities	3	23,067	25,201
Investments	4	27,213	34,001
Total income		50,280	59,202
<u>Expenditure on:</u>			
Raising funds	5	37,351	26,086
Charitable activities	6	159,723	79,414
Total expenditure		197,074	105,500
Net gains/(losses) on investments	10	280,145	(24,794)
Net movement in funds		133,351	(71,092)
Fund balances at 1 January 2021		2,851,638	2,922,730
Fund balances at 31 December 2021		2,984,989	2,851,638

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

All income and expenditure derive from continuing activities.

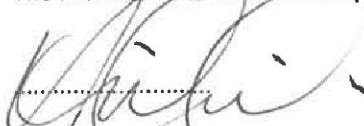
THE LYRITA RECORDED EDITION TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		895		-
Investments	12		2,872,893		2,478,083
			<u>2,873,788</u>		<u>2,478,083</u>
Current assets					
Debtors	13	85,982		70,626	
Cash at bank and in hand		106,126		332,451	
		<u>192,108</u>		<u>403,077</u>	
Creditors: amounts falling due within one year	14	(80,907)		(29,522)	
Net current assets			<u>111,201</u>		<u>373,555</u>
Total assets less current liabilities			<u>2,984,989</u>		<u>2,851,638</u>
Income funds					
Unrestricted funds			<u>2,984,989</u>		<u>2,851,638</u>
			<u>2,984,989</u>		<u>2,851,638</u>

The financial statements were approved by the Trustees on 28/10/2022


Antony Smith - Trustee

THE LYRITA RECORDED EDITION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

The Lyrita Recorded Edition Trust is an unincorporated charity whose governing document is a settlement deed dated 13th May 2016. The principal address of the charity is Wyastone Leys, Ganarew, Monmouth, NP25 3SR.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 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 charity is a Public Benefit Entity as defined by FRS 102.

The charity 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 have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. 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 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 charity 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.

1.4 Income

Income is recognised when the charity 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.

Legacies are recognised on receipt or otherwise if the charity 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.

Income from royalties is recognised in the period in which it was generated.

Rental income is recognised in the period in which the service is provided.

Dividend income is recognised in the period in which it is awarded.

THE LYRITA RECORDED EDITION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Expenditure

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.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

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

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 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.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 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.

1.10 Financial instruments

The charity 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 charity's balance sheet when the charity 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.

THE LYRITA RECORDED EDITION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

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 charity 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. Financial liabilities classified as payable within one year are not amortised.

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 charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity'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.

THE LYRITA RECORDED EDITION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Charitable activities

	2021 £	2020 £
Royalties	22,867	25,201
Sundry income	200	-
	<u>23,067</u>	<u>25,201</u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Income from listed investments	27,014	33,279
Interest receivable	199	722
	<u>27,213</u>	<u>34,001</u>

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Investment management	37,351	26,086
	<u>37,351</u>	<u>26,086</u>

THE LYRITA RECORDED EDITION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Charitable activities

	2021 £	2020 £
Insurance	988	1,318
Advertising	1,659	-
Origination costs	135,867	52,567
Patents and trademarks	1,087	-
Property repairs	4,694	108
Rent and rates	10,880	11,705
Travel and subsistence	39	182
Subscriptions	179	120
Donations	-	9,000
Professional fees	-	714
Technical support / software	499	-
Training	51	-
Depreciation	297	-
	<u>156,240</u>	<u>75,714</u>
Share of support costs (see note 7)	43	105
Share of governance costs (see note 7)	3,440	3,595
	<u>159,723</u>	<u>79,414</u>

THE LYRITA RECORDED EDITION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Support costs	Support Governance costs £	Support Governance costs £	2021 £	Support Governance costs £	2020 £	Basis of allocation
Bank charges	43	-	43	105	105	Direct
Accountancy fees	-	1,650	1,650	-	1,650	Governance
Independent examination fees	-	1,600	1,600	-	1,600	Governance
Trustees expenses & meeting costs	-	190	190	-	345	Governance
	43	3,440	3,483	105	3,700	
Analysed between						
Charitable activities	43	3,440	3,483	105	3,595	

THE LYRITA RECORDED EDITION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Trustees

During the current or prior year no trustees were remunerated for their role as a trustee.

One trustee was reimbursed £995 for expenses during the year in relation to subsistence costs (2020: one trustee was reimbursed expenses totalling £73).

Two trustees received an artist fee during the year totalling £6,000 (2020: no trustees received an artist fee) such payments are allowable under the charity's governing document. No amounts were outstanding at the current or prior year end.

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-

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

10 Net gains/(losses) on investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Revaluation of investments	280,145	(24,794)

11 Tangible fixed assets

	Plant and equipment £
Cost	
Additions	1,191
At 31 December 2021	1,191
Depreciation and impairment	
Depreciation charged in the year	296
At 31 December 2021	296
Carrying amount	
At 31 December 2021	895

THE LYRITA RECORDED EDITION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 January 2021	2,425,964	52,119	2,478,083
Additions	406,242	-	406,242
Valuation changes	280,145	-	280,145
Charges	-	(37,351)	(37,351)
Cash movement	-	51,754	51,754
Disposals	(305,980)	-	(305,980)
At 31 December 2021	2,806,371	66,522	2,872,893
Carrying amount			
At 31 December 2021	2,806,371	66,522	2,872,893
At 31 December 2020	2,425,964	52,119	2,478,083

13 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	75,079	56,810
Other debtors	10,485	13,413
Prepayments and accrued income	418	403
	85,982	70,626

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	(8,833)	2,217
Trade creditors	67,515	4,164
Other creditors	18,875	19,182
Accruals and deferred income	3,350	3,959
	80,907	29,522

THE LYRITA RECORDED EDITION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

15 Analysis of net assets between funds

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Fund balances at 31 December 2021 are represented by:		
Tangible assets	895	-
Investments	2,872,893	2,478,083
Current assets/(liabilities)	111,201	373,555
	<u>2,984,989</u>	<u>2,851,638</u>

16 Related party transactions

Two trustees of the charity are directors of Wyastone Estate Limited. During the year the charity raised sales invoices to the company in relation to royalties due totalling £28,754 (2020: £35,763). At the year end £85,564 (2020: £62,433) remained outstanding.

The charity received purchase invoices from Wyastone Estate Limited totalling £26,290 (2020: £15,874) in relation to rental and management charges. At the year end £50,283 (2020: £40,448) remained outstanding.

The charity received income totalling £nil (2020: £8,487) on behalf of Wyastone Estate Limited during the year of which £nil (2020: £8,487) remained outstanding.

The charity paid for expenditure totalling £nil (2020: £nil) on behalf of Wyastone Estate Limited during the year of which £nil (2020: £nil) remained outstanding.

The charity loaned an employee of Wyastone Estate Limited £22,000 during the 2018 financial year of which £nil (2020: £7,790) remained outstanding at the year end. The loan carried an interest rate of 6% per annum with the final payment being made during the 2021 financial year.

Trustee Adrian Farmer is also a Trustee of The Nimbus Foundation. During the year the Foundation invoiced the charity £13,860 (2020: £1,800) of which £13,860 (2020: £nil) remained outstanding.