

LYDNEY RECREATION TRUST
ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

LYDNEY RECREATION TRUST

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LYDNEY RECREATION TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees Lydney Town Council

Charity number 301569

Address Claremont House
High Street
Lydney
Gloucestershire
GL15 5DX

Independent examiner Ian Price
20 Newerne Street
Lydney
Gloucestershire
GL15 5RA

LYDNEY RECREATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Charities Act 2011 and the Statement of Recommended Practice, "Accounting and Reporting by Charities" (applicable to charities preparing their accounts in accordance with the FRS102).

Objectives and activities

The objectives of the charity as set out in its governing document are the provision and maintenance of playing fields, and other recreational premises providing public benefit through healthful and enjoyable recreational activities.

The trustees' have complied with their duty to have regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties.

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

Achievements and performance

The charity has continued its work in maintaining Lydney Recreation Ground in furtherance of Public Benefit. A drainage scheme has been put in place across all the sporting pitches.

Financial review

The trustees believe that the charity has adequate reserves to finance its activities for the immediate future. The trustees had a policy of investing in listed shares and securities - the managers were Brewin Dolphin - but these investments have now been sold. The trustees have adequate controls in place to ensure regular reviews of the funds invested.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level sufficient to ensure that, in the event of a significant drop in funding, the charity's current activities can be continued while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year. No funds are in deficit.

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The plans for future periods are to continue the charity's existing work.

Structure, governance and management

The charity was established by a charitable trust deed on 3 April 1946 and an order dated 6 June 1968.

The trustees, who served during the year were:
Lydney Town Council

No other trustees will be recruited or appointed.

The trustees' report was authorised by the Trust Secretary and signed on behalf of the Trust.

Trust Secretary
Dated: 26 July 2021

LYDNEY RECREATION TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF LYDNEY RECREATION TRUST

I report to the trustees on my examination of the financial statements of Lydney Recreation Trust (the charity) for the year ended 31 March 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

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.

Ian Price

20 Newerne Street
Lydney
Gloucestershire
GL15 5RA

Dated: 18 August 2021

LYDNEY RECREATION TRUST

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

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income and endowments from:</u>			
Donations and legacies	3	30,515	21,494
Charitable activities	4	19,801	24,627
Investments	5	736	1,506
Other income	6	184	24
Total income		<u>51,236</u>	<u>47,651</u>
<u>Expenditure on:</u>			
Charitable activities	7	<u>56,788</u>	<u>57,804</u>
Net gains/(losses) on investments	10	<u>13,340</u>	<u>(12,497)</u>
Net movement in funds		7,788	(22,650)
Fund balances at 1 April 2020		<u>346,026</u>	<u>368,676</u>
Fund balances at 31 March 2021		<u><u>353,814</u></u>	<u><u>346,026</u></u>

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

All income and expenditure is unrestricted, and derives from continuing activities.

LYDNEY RECREATION TRUST

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		139,758		138,507
Investments	12		-		45,167
			<u>139,758</u>		<u>183,674</u>
Current assets					
Debtors	13	7,133		17,545	
Cash at bank and in hand		210,032		145,667	
		<u>217,165</u>		<u>163,212</u>	
Creditors: amounts falling due within one year	14	(3,109)		(860)	
Net current assets			214,056		162,352
Total assets less current liabilities			<u>353,814</u>		<u>346,026</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds		37,699		58,309	
General unrestricted funds		316,115		287,717	
		<u>353,814</u>		<u>346,026</u>	
			<u>353,814</u>		<u>346,026</u>

The financial statements were approved by the Trustees on 26 July 2021

Lydney Town Council
Trustee

LYDNEY RECREATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Lydney Recreation Trust is a charitable trust.

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 accounts are prepared in sterling, which is the functional currency of the charity.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of 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.

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 charity.

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.

1.5 Expenditure

Resources expended are recognised in the period in which they are 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:

Land and buildings	10% straight line basis
Fixtures, fittings & equipment	20% straight line basis

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 net income/(expenditure) for the year.

LYDNEY RECREATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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.

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.

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.

LYDNEY RECREATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.11 Restricted Funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets this criteria is charged to the fund.

1.12 Unrestricted Funds

Unrestricted funds are incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

LYDNEY RECREATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	17		25,732		(8,608)
Investing activities					
Purchase of tangible fixed assets		(20,610)		(51,334)	
Proceeds on disposal of investments		58,507		-	
Interest received		736		1,506	
Net cash generated from/(used in) investing activities			38,633		(49,828)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			64,365		(58,436)
Cash and cash equivalents at beginning of year			145,667		204,103
Cash and cash equivalents at end of year			210,032		145,667

LYDNEY RECREATION TRUST

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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.

3 Donations and legacies

	Unrestricted funds	Total
	2021 £	2020 £
Donations and gifts	-	979
Lydney Town Council & other grants	30,515	20,515
	<u>30,515</u>	<u>21,494</u>

4 Charitable activities

	2021 £	2020 £
Charitable rental income	<u>19,801</u>	<u>24,627</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Income from listed investments	712	1,365
Interest receivable	24	141
	<u>736</u>	<u>1,506</u>

LYDNEY RECREATION TRUST

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Other income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Other income	184	24

7 Charitable activities

	2021	2020
	£	£
Depreciation and impairment	19,359	17,277
Office costs	109	327
Insurance	5,983	5,120
Water, electricity, rates	3,631	3,639
Grass cutting, grounds, general maintenance	13,088	12,649
Litter picking, dog waste bins & bags	12,210	11,951
Skateboard park maintenance	918	5,561
Health and safety (incl tree works)	700	450
Independent examiners fees	790	830
	56,788	57,804

8 Trustees

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

9 Employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
Total	-	-

LYDNEY RECREATION TRUST

STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Revaluation of investments	13,340	(12,497)

11 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2020	274,194	4,187	278,381
Additions	20,610	-	20,610
At 31 March 2021	294,804	4,187	298,991
Depreciation and impairment			
At 1 April 2020	137,888	2,632	140,520
Depreciation charged in the year	18,713	-	18,713
At 31 March 2021	156,601	2,632	159,233
Carrying amount			
At 31 March 2021	138,203	1,555	139,758
At 31 March 2020	136,306	2,201	138,507

The additions to land and buildings in the year ended 31 March 2021 are drainage works.

LYDNEY RECREATION TRUST

STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2020	45,167
Valuation changes	13,340
Disposals	(58,507)
	<hr/>
At 31 March 2021	-
	<hr/>
Carrying amount	
At 31 March 2021	-
	<hr/>
At 31 March 2020	45,167
	<hr/>

Fixed asset investments revalued

Listed investments are included at revalued amounts. The basis of the valuation is market value. The comparable amounts on the historical cost basis at 31 March 2021 totalled nil (2020 - £53,093).

13 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,011	419
Other debtors	855	11,126
Prepayments and accrued income	5,267	6,000
	<hr/>	<hr/>
	7,133	17,545
	<hr/>	<hr/>

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	3,109	860
	<hr/>	<hr/>

LYDNEY RECREATION TRUST

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Designated Funds

The income funds of the charity include the following designated funds, all held within current assets, which have been set aside out of unrestricted funds by the trustees for specific purposes:

	b/f 2020	Income	Expended	c/f 2021
	£	£	£	£
Drainage	58,309	-	(20,610)	37,699

16 Related party transactions

Income for the year ended 31 March 2021 includes £20,515 (2020-£20,515) grant income from Lydney Town Council.

17	Cash generated from operations	2021 £	2020 £
	Surplus/(deficit) for the year	7,788	(22,650)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(736)	(1,506)
	Fair value gains and losses on investments	(13,340)	12,497
	Depreciation and impairment of tangible fixed assets	19,359	17,277
	Movements in working capital:		
	Decrease/(increase) in debtors	10,412	(10,844)
	Increase/(decrease) in creditors	2,249	(3,382)
	Cash generated from/(absorbed by) operations	25,732	(8,608)
18	Analysis of changes in net funds		
	The charity had no debt during the year.		