

Lymington Community Association

Annual Report and Financial Statements

Period from 25 March 2020 to 31 August 2021

Lymington Community Association

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Lymington Community Association

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the period from 25 March 2020 to 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, 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 effective from 1st January 2019 (FRS 102 (Revised)).

Reference and Administrative Details

Trustees	R Blatchford	(appointed on 25 March 2020)
	C Healy	(appointed on 25 March 2020)
	P Wagstaffe	(appointed on 25 March 2020)
	L Lewis	(appointed on 25 March 2020)
	V Galbraith	(appointed on 25 March 2020)
	J Ruffell	(appointed on 25 March 2020)
	L Dawson	(co-opted on 14 December 2020)
	N Browne	(co-opted on 14 December 2020)
	M Ross	(co-opted on 14 December 2020)

Principal Office
New Street
Lymington
Hampshire
SO41 9BQ

Charity Registration Number 1188765
Solicitors
Lester Aldridge
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Oxford Road
Bournemouth
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BH8 8EX

Bankers
Barclays Bank PLC
21 High Street
Lymington
Hampshire
SO41 9YJ

Lymington Community Association

Trustees' Report

Auditor

Westlake Clark Audit LLP
Chartered Accountants
7 Lynwood Court
Priestlands Place
Lymington
Hampshire
SO41 9GA

Lymington Community Association

Trustees' Report

Structure, governance and management

History and governing document

The Lymington Community Association is now a registered CIO (Charitable Incorporated Organisation). The CIO was registered with the Charity Commission on 25th March 2020, with the intention that it would replace the former charity also known as the Lymington Community Association (registered charity number 301880). The assets of the former Charity were not transferred to the CIO until the 1st of September 2020 to coincide and provide continuity with the accounting calendar of the former charity. The former charity was governed by a constitution, originally adopted in 1948 and most recently reviewed and updated in May 2012. The constitution of the new CIO is based on the standard format recommended for CIOs but amended as necessary to maintain the original characteristics of the former charity.

Objectives and activities

The objects of the new CIO are to further or benefit the residents of Lymington and Pennington in Hampshire and the neighbourhood, without distinction of sex, sexual orientation, race or of political, religious or other opinions by associating together the said residents and the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for the residents.

The Association achieves its principal objects and aims through the operation of the Community Centre; running courses and providing facilities open to all ages and diversities.

The Trustees confirm that they have complied with the above objectives.

Recruitment and appointment of trustees

Elections are held annually for the Officers and Trustees. These will be held at the Annual General Meeting on the 18th February 2022; a list is provided on page 1.

Arrangements for setting key management personnel remuneration

The Board of Trustees are responsible for setting the remuneration of key management personnel.

Organisational structure

The Board of Trustees determines the overall strategy and development of the Lymington Community Association and approves the Annual Budget for operation. The Senior Management Team oversees the management of the Centre, with the Centre Manager being responsible for the day to day running together with a team of staff and volunteers.

Relationships with related parties

Trustee

None of our Trustees receive remuneration for their work with the Charity.

Public benefit

This Report sets out our activities, achievements, and performance during the year, which are directly related to the objects and purposes for which the charity exists. The Centre's activities, courses and facilities are for the benefit of the whole community.

The Trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of volunteers

We are indebted to all the volunteers who help operate the Malt Cinema, the Malt Café, the Malt Lounge Bar and who assist Maintenance and help keep the grounds and gardens tidy. The Centre could not operate without their help and on behalf of all the users we thank them for their time and their contribution.

Lymington Community Association

Trustees' Report

Achievements and performance

This report covers the 12-month period from 1st September 2020 to 31st of August 2021.

The charity had 1158 paid up members of the Association at the end of August 2020. Our membership was reduced to 698 by the end of August 2021. This decline reflected the impact of the Pandemic and the ongoing lockdowns and caution about socialising continued amongst the public and our membership. Work is afoot to address this and restore and expand our membership numbers for 2022.

Redevelopment Programme

Phase 1 - Completed

Phase 2

Having identified two redevelopment projects in early 2020 the Trustees decided to continue to progress with Phase 2 and commence Phase 3.

1) Completing the relocating of the Pre-school from the Normandy Room to the Robert Hole Room with improved facilities and an adjacent outside play area. These works commenced in March 2020 and were completed in October 2020, with the school opening in September 2020 and proving to be popular with both parents and children. This project was 50% funded by the LPTC Pledge.

2) Redecoration of the Normandy Room together with new projector and screen which was funded by Clinton Cards to make it available for public room hire which operated from November 2020 - August 2021. This project was again supported by the LPTC Pledge.

3) Refurbishment of the Wellington - sanding of wood block floor, redecoration, new lighting, new curtains, blinds and mirrors. Works carried out between July 2021 and completed September 2021. These works were part funded by Kayleigh and Ben Sargeant, of New Forest Academy of Dance to the sum of £8,000. LCA are happy to have an agreement with NFAD for the use of the Wellington as a dance studio.

4) In August 2021 it was decided to trial the Normandy room as a Charity Boutique known as "Tidal Boutique" which opened in September 2021 and is being run by volunteers in aid of the Lymington Community Association. This has proved to be very popular.

It is to be noted that, with the completion of the Pre-School relocation, the LCA has now completed capital redevelopment projects to the total value of £370,994.

Related activities

Advantage of the Centre closure was taken to carry out redecoration and refurbishments, mainly by LCA staff and volunteers again, working in compliance with Covid-19 regulations. Activities highlighted are:

- Redecoration of Solent Room
- Redecoration of the Cafe with new curtains.
- New carpet and nosing on the stairs to the Hayloft/Projection Room.
- Commencement of works/redesign to Cafe Garden with support from Shallowmead Nurseries and local suppliers.

Future Planned Works

1. The original plans for the lift replacement project were revised, and it was agreed that rather than having one new lift serving all three floors, we would replace the current disabled lift with a larger lift serving two floors with improved corridor access together with a separate outside platform lift to the pottery with a level access scheme between the main building and the Phoenix/Pre-School. A grant has been pledged for £37,500 by NFDC and £75,000 has been allocated from the LPTC Pledge towards these works with the remainder funded by LCA. Works to the internal lift area to be commenced in April 2022 with the external works planned for the summer of 2022.

Lymington Community Association

Trustees' Report

2. Wellington Corridor, Kitchenette - Refurbishment of the Wellington corridor creating enclosed storage space. New kitchenette area is underway for the Wellington room. To be commenced in December 2021. This project will enable works for the Wellington staircase to be removed and reconfiguration of existing toilets, with a new toilet to be installed on the first floor planned for 2022.

Phase 3

The Board continues to work on and develop the way forward for the Association to reflect the current reality and community needs with the aim of presenting a strategy for future plans to the members at the forthcoming Annual General Meeting. Drawings and planned works were started in April 2021.

This phase involves creation of a new Cafe/Bar/Kitchen together with a welcoming outside area for visitors to the Café, cinema and theatre. The ground floor layout will also incorporate a Changing Places toilet facility together with reconfiguration of the existing toilets. The book corridor so greatly enjoyed by visitors will be incorporated in the new designs. The Board has continued to revise the detailed plans to reflect changing community needs in preparation for submission for NFDC planning permission.

Fund Raising and Activities 2020/21

Furloughing of some staff continued throughout the start of the year. The Association were able to take advantage of the Government Grants which were made available via the New Forest District Council during this period.

From September 2020 onwards a number of fundraising events that had been planned and which included Strictly Lymington, Manager's Christmas Lunch, a Railway Exhibition, the Carnival Fete, Craft and Plant Fayres, Love Lymington Community Centre, amongst others, all had to be cancelled/postponed due to Covid-19. The trustee intend to rerun these events as soon as it is feasible.

We were unable to hold our Volunteers Event in September but with the support of local organisations we delivered Picnic Afternoon Teas to everyone on the 5th October 2020.

In October we were successful in obtaining a grant from the BFI for the Cinema of £4,288 to help with the growing financial losses due to lockdown closures.

The Cafe re-opened in October for a few weeks but the Centre went back into lockdown and we were shut again due to Covid in November (with the exception of the Pre-School and the British Red Cross).

Linda Hamilton, Caretaker retired after many years of service.

A donation of £3,000 was gratefully received from Rathbones Investment Management. Notice of a significant legacy was received from the Estate of Miss Freda Holmes, the Executors of Miss Holmes Estate released £190,000 on account to the Association. The Board is reviewing how to honour this incredible gift for the Centre development.

The Finance Manager resigned on the 14th December 2020 and the position was not replaced until November 2021, the Treasurer worked with the bookkeeper to produce Management financial information during the interim period.

A grant of £1,000 towards the refurbishment of the Cafe Garden was received from Tesco's Bags of Help.

Electrical and Mechanical Surveys of the Lymington Community Centre site were undertaken in preparation of the development works.

The Centre re-opened on the 19th April 2021 for exercise and ballet classes with Brockenhurst College opening for all classes on the 17th May 21. Cafe re-opened on the 4th May 21.

In June 2021 the hearing loop system was replaced in the Gates Hall and the Malt Cinema.

Throughout July we joined with St Barbes, and were successful in obtaining a grant from the HCC Connect4Communities to provide activities for up to 25 children each day for the summer holidays which provided welcome income for the Centre.

Various other activities such as the Zoom Quiz, 200 Club and fund-raising donations raised £29,000 for the Centre.

Lymington Community Association

Trustees' Report

This year has been a challenging year with the constant uncertainty around being able to open or close or plan fund-raising events. This has been very frustrating and concerning for the Trustees, Team, Volunteers, Members and the general public. We look forward to returning to a brighter future once the pandemic eases to continue to offer a positive welcome for the community of Lymington, Pennington and the surrounding areas.

Financial review

Principal funding sources

The principal funding sources of income to the Association to August 2021 were: Pre-School income of £109,380, public, and internal room hire of £67,368, cinema income of £10,964 and cafe income of £13,927, Membership (inc car park permit) £17,458.

Additional funding sources

The Association was very pleased to receive two legacies, one for £1,000 and another of an initial payment of £190,000 has been received and a minimum further payment of £17,000 is expected in due course. We received an Insurance settlement of £43,000 to compensate the centre for the interruption caused by the Pandemic. A number of grants were also gratefully received from HCC and LPTC to sustain the Centre during the lockdown.

Policy on reserves

The Trustees oversee and monitor the reserve position on a regular basis.

The 'Establishment Fund' represents the value of the fixed assets in the accounts.

The 'Development Funds' are designed to fund future refurbishment.

The 'Disaster Recovery Reserve Fund' has a policy to maintain this reserve fund at £140,000, which the trustees deem sufficient to cover costs in the unlikely event of closure.

The 'Unrestricted Income Fund' represents the cumulative surplus available for ongoing general improvements to the centre and team resources.

The 'Pre-School Fund' reserves are only available to the Pre-School and are to be maintained at a level to cover any expected and unexpected contingencies.

The Trustees are satisfied that these Policies have been adhered to for the period and the reserve position is appropriate for the Centre.

Financial instruments

Objectives and policies

The Charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Credit risk

The Charity's principal financial assets are bank balances and cash and trade and other receivables.

The Charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Charity uses a mixture of short-term bank accounts and an investment account.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Lymington Community Association

Trustees' Report

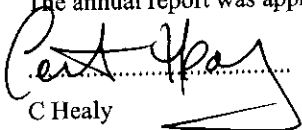
Going concern

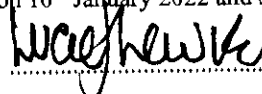
The Trustees have reviewed the financial circumstances of Lymington Community Association and consider that adequate resources continue to be available to fund the activities of the Association for the foreseeable future. The Trustees are of the view that the Association is a going concern.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 10th January 2022 and signed on its behalf by:


C Healy
Treasurer


L Lewis
Acting Chair

Lymington Community Association

Statement of Trustees' Responsibilities

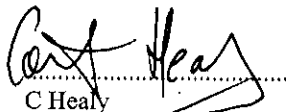
The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to CIO 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 CIO and of the incoming resources and application of resources of the CIO for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the CIO SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 and the applicable Charities (Accounts and Reports) Regulations. 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.

Approved by the trustees of the charity on 10th January 2022 and signed on its behalf by:


.....
C Healy
Treasurer


.....
L Lewis
Acting Chair

Lymington Community Association

Independent Auditor's Report to the Members of Lymington Community Association

Opinion

We have audited the financial statements of Lymington Community Association (the 'charity') for the year ended 31 August 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charity Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Charity Act 2011 requires us to report to you if, in our opinion:

Lymington Community Association

Independent Auditor's Report to the Members of Lymington Community Association

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 7), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Westlake Clark Audit LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

Lymington Community Association

Independent Auditor's Report to the Members of Lymington Community Association

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act (Regulation 30 of the Charities (Accounts and Reports) Regulations 2008) and for no other purpose. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Peter Clegg BSc FCA (Senior Statutory Auditor)
For and on behalf of Westlake Clark LLP, Statutory Auditor

7 Lynwood Court
Priestlands Place
Lymington
Hampshire
SO41 9GA

Date: 25th January 2022

Lymington Community Association

Statement of Financial Activities for the Period from 25 March 2020 to 31 August 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 31 August 2021 £
Income and Endowments from:				
Donations and legacies	2	112,562	302,400	414,962
Charitable activities	3	224,860	-	224,860
Other trading activities	4	2,622	-	2,622
Investment income	5	17,714	-	17,714
Other income	6	45,581	-	45,581
Total income		403,339	302,400	705,739
Expenditure on:				
Raising funds	7	(16)	(650)	(666)
Charitable activities	8	(400,383)	(70,167)	(470,550)
Total expenditure		(400,399)	(70,817)	(471,216)
Net income		2,940	231,583	234,523
Funds transfer from old charity		1,187,750	8,669	1,196,419
Transfers between funds		17,996	(17,996)	
Net movement in funds		1,208,686	222,256	1,430,942
Reconciliation of funds				
Total funds carried forward	17	1,208,686	222,256	1,430,942

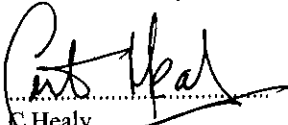
All of the charity's activities derive from operations during the above periods.

Lymington Community Association

**(Registration number: 1188765)
Balance Sheet as at 31 August 2021**

	Note	31 August 2021 £
Fixed assets		
Tangible assets	13	812,441
Current assets		
Stocks	14	1,818
Debtors	15	93,263
Cash at bank and in hand		<u>583,610</u>
		678,691
Creditors: Amounts falling due within one year	16	<u>(60,190)</u>
Net current assets		<u>618,501</u>
Net assets		<u>1,430,942</u>
Funds of the charity:		
Restricted income funds		
Restricted funds	17	222,256
Unrestricted income funds		
Unrestricted funds		<u>1,208,686</u>
Total funds	17	<u>1,430,942</u>

The financial statements on pages 15 to 26 were approved by the trustees, and authorised for issue on 10th January 2022 and signed on their behalf by:


C Healy
Treasurer


L Lewis
Acting Chair

Lymington Community Association

Statement of Cash Flows for the Period from 25 March 2020 to 31 August 2021

	31 August 2021
	Note £
Cash flows from operating activities	
Net cash income	1,430,942
Adjustments to cash flows from non-cash items	
Depreciation	7 90,076
Investment income	5 <u>(17,714)</u>
	1,503,304
Working capital adjustments	
Increase in stocks	14 (1,818)
Increase in debtors	15 (93,263)
Increase in creditors	16 37,463
Increase in deferred income	<u>22,727</u>
Net cash flows from operating activities	<u>1,468,413</u>
Cash flows from investing activities	
Interest receivable and similar income	5 17,714
Purchase of tangible fixed assets	13 <u>(902,517)</u>
Net cash flows from investing activities	<u>(884,803)</u>
Net increase in cash and cash equivalents	583,610
Cash and cash equivalents at 25 March 2020	<u>-</u>
Cash and cash equivalents at 31 August 2021	<u>583,610</u>

All of the cash flows are derived from continuing operations during the above two periods.

Lymington Community Association

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

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Charities Act 2011.

Basis of preparation

Lymington Community Association is a Charitable Incorporated Organisation in England. The address of the principal office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are given on page 2.

The financial statements for the period ended 31 August 2021 are the first financial statements that comply with FRS 102.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

Going concern

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

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Income and endowments

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Gift aid

Incoming resources from tax reclaims are included in the Statement of Financial Activities at the same time as the gift to which they relate.

Lymington Community Association

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

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

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

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

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

Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Individual fixed assets costing £250 or more are capitalised at cost.

In relation to the freehold properties and improvement, fees relating to any planning, drawings, architects and surveyors for future projects are treated as capital expenditure.

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Other freehold property	2% straight line basis
Fixtures, fittings and equipment	Computer equipment: 66.7% first year, 33.3% second year basis. Furniture and equipment: 3 year straight line basis
Freehold Fuller McLellan Hall	2% straight line basis
Celebrating 70 refurbishment	20% straight line basis

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Lymington Community Association

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

Trade debtors

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

Cash and cash equivalents

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

Trade creditors

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

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

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

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

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

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

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

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

Lymington Community Association

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

Recognition and measurement

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

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

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

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

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Lymington Community Association

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

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

2 Income from donations and legacies

	Unrestricted funds		Total
	General £	Restricted funds £	31 August 2021 £
Donations and legacies;			
Donations from individuals	16,081	-	16,081
Grants, including capital grants;			
Corona Virus Job Retention Scheme Grant	57,766	-	57,766
Government grants	38,715	-	38,715
Fund Raising - Celebrating 70	-	302,400	302,400
	112,562	302,400	414,962

3 Income from charitable activities

	Unrestricted funds		Total
	General £	Restricted funds £	31 August 2021 £
Subscriptions	9,559		9,559
Subscriptions from affiliated bodies	1,670		1,670
Car park income	6,229		6,229
Classes income	3,171		3,171
Bar	797		797
Cafe	13,927		13,927
Cinema/Malt Hall	10,964		10,964
Pottery	654		654
Lymington Players	450		450
Preschool	109,380		109,380
Public and internal room hire	67,368		67,368
Equipment hire	168		168
Photocopying income	523		523
	224,860		224,860

Lymington Community Association

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

4 Income from other trading activities

	Unrestricted funds	
	General £	Total 31 August 2021 £
Trading income;		
Sale of books	2,622	2,622
	2,622	2,622

5 Investment income

	Unrestricted funds	
	General £	Total 31 August 2021 £
Interest receivable and similar income;		
Interest receivable on bank deposits	364	364
Freda Holmes Legacy	17,350	17,350
	17,714	17,714

6 Other income

	Unrestricted funds	
	General £	Total 31 August 2021 £
Insurance claim - Covid 19 losses	45,581	45,581

7 Expenditure on raising funds

Costs of trading activities

	Note	Unrestricted funds		Total 31 August 2021 £
		General £	Restricted funds £	
Fundraising trading costs;				
Fundraising		16	650	666
		16	650	666

Lymington Community Association

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

8 Expenditure on charitable activities

	Unrestricted funds			Total
	Designated £	General £	Restricted funds £	31 August 2021 £
Classes expenditure	-	1,070	-	1,070
Bar	-	546	-	546
Cafe including salaries	-	27,364	-	27,364
Cinema/Malt Hall	-	5,901	-	5,901
Lymington Players	-	1,199	-	1,199
Preschool	94,994	-	-	94,994
Photocopying expenditure	-	130	-	130
Support costs	-	249,270	-	249,270
Depreciation	-	19,909	70,167	90,076
	94,994	305,389	70,167	470,550

£400,383 of the above expenditure was attributable to unrestricted funds and £70,167 to restricted funds.

Lymington Community Association

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

9 Analysis of support costs

Charitable activities expenditure

	Basis of allocation	Unrestricted funds	Total
		General £	31 August 2021 £
Administrative salaries		111,260	111,260
Water rates		1,133	1,133
Light and heat		20,548	20,548
Insurance		10,265	10,265
Building repairs		10,559	10,559
Equipment repairs and renewals		553	553
Computer maintenance and software		4,075	4,075
Telephone		3,237	3,237
Printing, postage, stationery and advertising		3,129	3,129
Newsletters and MLAP		293	293
Sundry expenses		3,379	3,379
Cleaning and waste disposal - including wages		69,204	69,204
Accountancy		6,225	6,225
Legal and professional fees		3,712	3,712
Bank charges		1,698	1,698
		249,270	249,270

10 Net incoming/outgoing resources

Net incoming/outgoing resources for the period include:

	31 August 2021 £
Audit fees	3,000
Other non-audit services	3,225
Depreciation of fixed assets	90,076

Lymington Community Association

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

11 Staff costs

The aggregate payroll costs were as follows:

	2021 £
Staff costs during the period were:	
Wages and salaries	262,291
Social security costs	10,349
Pension costs	3,649
	<hr/> 276,289 <hr/>

The monthly average number of persons (including senior management team) employed by the charity during the period expressed as full time equivalents was as follows:

	31 August 2021 No
Caretakers	6
Administration	7
Catering staff	1
Manager	1
Preschool	9
	<hr/> 24 <hr/>

No employee received emoluments of more than £60,000 during the year.

No trustee received any remuneration for their services as trustees or any reimbursements of expenses.

The total employee benefits of the key management personnel of the charity were £67,399 (2020 - £Nil).

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Lymington Community Association

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

13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Celebrating 70 refurbishment £	Freehold Fuller McLellan Hall £	Total £
Cost					
Transfers from charity no 301880 (The old charity)	175,271	241,657	262,670	706,890	1,386,488
Additions	-	-	108,072	-	108,072
At 31 August 2021	175,271	241,657	370,742	706,890	1,494,560
Depreciation					
Transfers from charity no 301880 (The old charity)	109,712	239,213	45,032	198,086	592,043
Charge for the period	3,505	2,268	70,167	14,136	90,076
At 31 August 2021	113,217	241,481	115,199	212,222	682,119
Net book value					
At 31 August 2021	62,054	176	255,543	494,668	812,441

14 Stock

	31 August 2021
	£
Stocks	1,818

15 Debtors

	31 August 2021
	£
Trade debtors	14,830
Prepayments	9,508
Other debtors	68,925
	<u>93,263</u>

Lymington Community Association

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

16 Creditors: amounts falling due within one year

	31 August 2021 £
Trade creditors	17,104
Other taxation and social security	4,073
Pension scheme creditor	1,219
Accruals	15,067
Deferred income	<u>22,727</u>
	<u>60,190</u>
31 August 2021 £	
Deferred income transferred from old charity	(17,844)
Resources deferred in the period	22,727
Amounts released from previous periods	<u>17,844</u>
Deferred income at year end	<u>22,727</u>

17 Funds

	Funds transfer from The old charity as at 1 September 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2021 £
Unrestricted funds					
<i>General</i>					
Unrestricted general fund	25,619	293,959	(294,846)	3,827	28,559
<i>Designated</i>					
Establishment fund	794,445	-	-	17,996	812,441
Pre-School Fund	12,000	109,380	(105,553)	(3,827)	12,000
Development Fund General	25,489	-	-	-	25,489
Development Fund Malt Hall	5,619	-	-	-	5,619
Disaster Recovery Reserve	140,000	-	-	-	140,000
Development Fund - New Pre School	52,068	-	-	-	52,068
Development Fund - Lift	132,510	-	-	-	132,510
	<u>1,162,131</u>	<u>109,380</u>	<u>(105,553)</u>	<u>14,169</u>	<u>1,180,127</u>
Total Unrestricted funds	1,187,750	403,339	(400,399)	17,996	1,208,686
Restricted funds					
Celebrating 70	8,669	302,400	(70,817)	(17,996)	222,256
Total funds	<u>1,196,419</u>	<u>705,739</u>	<u>(471,216)</u>	<u>-</u>	<u>1,430,942</u>

Lymington Community Association

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

The specific purposes for which the funds are to be applied are as follows:

The 'Pre-School Fund' represents funds available to the preschool. Ofsted require the Pre-School surplus to be reinvested in Pre-School resources. Included within the Pre-School incoming resources is funding from Hampshire County Council of £109,380.

The 'Establishment Fund' represents the value of the fixed assets in the accounts.

The 'Development Funds' have been designated by the Trustees for future refurbishment of the various elements of the building.

The 'Disaster Recovery Reserve' is a designated fund equal to around 3 months of the total annual expenditure of the association, to be kept at this level to cover costs in the unlikely event of centre closure, or provide recovery resources in the event of a temporary crisis.

Unrestricted income funds are available to be spent on general expenditure and non specific projects at the Trustees discretion.

18 Analysis of net assets between funds

	Unrestricted funds		Restricted funds £	Total funds £
	General £	Designated £		
Tangible fixed assets	-	812,441	-	812,441
Current assets	88,749	367,686	222,256	678,691
Current liabilities	(60,190)	-	-	(60,190)
Total net assets	28,559	1,180,127	222,256	1,430,942

19 Related party transactions

There were no related party transactions in the year.

20 Ultimate controlling entity

The charity is controlled by the trustees on behalf of the members.

Trustees and officers liability insurance

The association arranges insurance cover of £5,000,000 for the trustees and officers against liabilities in relation to the association. The premium for this cover was £10,265. At the balance sheet date the amount due to/from Controlling entity was £Nil.