



**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**CONTENTS**

---

	Page
<b>Reference and Administrative Details of the Company, its Trustees and Advisers</b>	<b>1</b>
<b>Trustees' Report</b>	<b>2 - 9</b>
<b>Independent Auditors' Report on the Financial Statements</b>	<b>10 - 13</b>
<b>Statement of Financial Activities</b>	<b>14</b>
<b>Balance Sheet</b>	<b>15 - 16</b>
<b>Statement of Cash Flows</b>	<b>17</b>
<b>Notes to the Financial Statements</b>	<b>18 - 38</b>

---

**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

<b>Trustees</b>	Adrian Nicholas Curtis, Acting Chair of Trustees John Lawrence Marriott, Trustee Bernard Lewis, Trustee (resigned 15 June 2021) Laura Hobson, Trustee (resigned 18 October 2021) Leslie John Webb, Trustee Helen Aldred, Trustee (resigned 21 May 2021) Teresa Maria McDonald, Trustee (resigned 15 June 2021) Rebecca Malin, Trustee Mohammed Arif Awan, Trustee (resigned 21 February 2021) Ian Bishop, Trustee (appointed 1 July 2020, resigned 19 July 2020)
<b>Company registered number</b>	2919781
<b>Charity registered number</b>	1042233
<b>Registered office</b>	Royds Enterprise Park Future Fields Buttershaw Bradford West Yorkshire BD6 3EW
<b>Company secretary</b>	Ian Bishop (resigned 31 March 2021) Clair Varney (appointed 1 April 2021)
<b>Interim chief executive officer</b>	Ian Bishop (resigned 31 March 2021)
<b>Chief executive officer</b>	Clair Varney (appointed 1 April 2021)
<b>Independent auditors</b>	BHP LLP New Chartford House Centurion Way Cleckheaton Bradford West Yorkshire BD19 3QB
<b>Bankers</b>	National Westminster Bank PLC 7 Hustlergate Bradford West Yorkshire BD1 1PP

**TRUSTEES' REPORT**  
*FOR THE YEAR ENDED 31 MARCH 2021*

---

The Trustees present their annual report together with the audited financial statements of Royds Community Association for the period 1 April 2020 to 31 March 2021. These are also prepared to meet the requirements for a director's report and accounts for Companies Act purposes.

***Objectives and activities***

● **Policies and objectives**

The objectives of the charity are laid down in the Memorandum and Articles of Association:

- To promote the benefit of the inhabitants of the benefit area without distinction of sex, race or of political, religious or other opinions by associating together representatives of the said inhabitants and various other persons in a common effort to provide facilities in the interest of social welfare for recreation and leisure time occupation with the object of improving the conditions of life for the said inhabitants.
- To carry on for the benefit of the community in the benefit area of the business of providing and improving housing and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means.
- To promote any charitable purpose for the benefit of the inhabitants of the benefit area and in particular the advancement of education and the relief of poverty.
- To promote for the benefit of the public, urban or rural regeneration in areas of social and economic deprivation by the relief of financial hardship, by the relief of unemployment, by the advancement of education, training or retraining, particularly among unemployed people and providing unemployed people with work experience.

● **Aims of the Charity**

To be a locally and nationally respected organisation which supports communities and individuals to improve their quality of life. It aims to build confidence and skills in others to enable them to take control of their social, environmental and economic circumstances.

We have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

● **Objectives for the year**

Our objectives for the year were as follows:

- To provide a range of high quality services that will help people make positive changes in their communities, focusing on health, economy, environment and consultant support.
- To be a financially viable and sustainable organisation by increasing earned income and ensuring full cost recovery in all funding agreements.
- To be a locally, regionally and nationally recognised and respected organisation with both quality standards and social values.
- To be an organisation that creates and delivers opportunity through good recruitment and appraisal programmes.
- To develop relationships and partnerships that influence and inform policy.

**TRUSTEES' REPORT (CONTINUED)**  
*FOR THE YEAR ENDED 31 MARCH 2021*

---

**Objectives and activities (continued)**

● **The need for Royds**

Our main area of community focus is the Royds ward. This is one of six wards in the Bradford South area, stretching from Horton Bank in the north to Royds Hill in the south. It contains the communities of Buttershaw and Woodside and also includes parts of Wibsey, Low Moor and Horton Bank Top.

Our area is affected by multiple indicators of deprivation with above district average levels of worklessness, low levels of school attainment and higher levels of domestic violence.

Hospital admissions are higher than most other wards, particularly in relation to cancer, trauma, and is relatively high in relation to stroke, diabetes and hyper tension. Residents have not engaged well with health services and do not have the same aspirations for better health as other areas.

Requests for social care support are higher in Royds than surrounding areas. The number of people who are in receipt of long term care is higher than surrounding areas.

● **Strategies for achieving objectives**

Our strategy for achieving our aims and objectives involves an annual review of existing programmes based on regular monitoring, and scrutiny of new programme proposals to ensure they are in line with our overall objectives. The Executive develop and present an annual business plan with key performance indicators to performance manage against objectives for approval by the Board. The pre Covid-19 economic climate led the charity to develop and operate programmes with innovative funding models and operate many of them through collaborative arrangements with partner organisations, as we move into a period of Covid-recovery the need for innovative and flexible approaches will increase.

To achieve the aims and objectives of the charity, programmes may be run as contracted activity, as commissioned activity, as grant funded activity, or as a result of earned income from our unrestricted income sources such as buildings and assets. Community services such as community centres, advice and community development are subsidised from unrestricted profitable income, and this ensures the charity can continue to meet local need.

**Covid-19** created an unprecedented level of financial and economic strain for Royds, our communities and the general economy. Whilst the initial impacts of this were felt in the first quarter of the year we were able to align our organisation to continue trading where it was safe to do so and support our tenants to do likewise. The resilience and agility needed to do this will stand us in good stead as we progress through the period of national recovery.

**TRUSTEES' REPORT (CONTINUED)**  
*FOR THE YEAR ENDED 31 MARCH 2021*

---

***Achievements and performance***

● **Review of activities**

The charity continues to provide excellent services to its beneficiaries and strives to improve on the current offer and to create new services based on demand or need. Our main areas of work/activity are:

- Royds Enterprise park
- Royds healthy Living Centre
- Woodside Village Centre
- Delph Hill Centre
- Consortium and Gateway Programmes
- Both employment and training and New Horizons Adult Care were impacted by Covid-19 and the Board is reviewing our current models of working in these areas.

**Employment and Training** - Royds has a number of meeting rooms that allow ourselves or partners to deliver high quality training from technical and organisational updates to sessions focused on mental health and wellbeing issues. These have been predominantly closed during the period of the pandemic.

**New Horizons Adult Care** - deliverability was impacted by the pandemic with the service being transformed into a remote support service. We are planning to build upon our successful befriending service and relaunch the Wellbeing Café to support a wider client group.

**Consortium and Partnership Programmes** - Royds works in partnership with many different organisations including the NHS. Our main partnership project has been a major new social prescribing programme

**Royds Enterprise Park**

The Enterprise Park is the major source of unrestricted income for the charity which is generated from rental income, room hire and service charges. The Park has performed well throughout the year of the pandemic and we have provided support to a number of our tenants.

The Enterprise Park generates real jobs via its business tenants and many of these are taken by local residents.

**Royds Healthy Living Centre**

Royds has started refurbishment of this community asset so it can continue to provide valuable primary care health services to local residents, particularly in the Buttershaw area, through the ownership of the Royds Healthy Living Centre which is tenanted by the Ridge Medical Practice.

Buttershaw Millennium Green adjoins the Healthy Living Centre. This is a small urban park which Royds owns and manages, and this provides attractive green space at the centre of the estate.

**Woodside Village Centre**

Royds continues to provide support to the local community of Woodside through the ownership of the Woodside Village Centre. A wide variety of groups will be supported to use the centre post pandemic including the refurbishment of the community café.

- **Royds Shops** - Our two shops are in the same complex as Woodside Village Centre and provide a hot food takeaway outlet and a mini market which benefits both the tenants of the shops and the local residents.

**Delph Hill Centre**

Post pandemic we plan to rebuild support services provided from the centre. Bradford Youth Services have continued to remain the primary service provider at the facility when COVID guidelines have allowed.

**TRUSTEES' REPORT (CONTINUED)**  
*FOR THE YEAR ENDED 31 MARCH 2021*

---

**Achievements and performance (continued)**

**Other Community Based Activity**

Despite the challenges the year has brought, Royds have also been successful in the winning of several additional grant funded activity during 20/21. These include a community-based exercise group that has been well received and successful in building new friendships. The group has just secured additional grant funding to continue for another season. Grants have also been awarded for arts and day trips. Royds intend to continue to seek out smaller grants for activities that support their objectives in the Royds ward.

**Arise Yorkshire Limited**

Royds is one of four equal partners with two nominated directors of the Arise Yorkshire Limited regeneration company. Arise has delivered two DCLG contracts to bring 21 empty properties into use as low cost social housing. Arise is exploring expansion of its housing portfolio. It is also working with statutory agencies on developing the community anchor model, and has delivered a contract for the CCGs.

**Royds Community Association (Subsidiary) Limited**

Royds wholly owned trading subsidiary for carrying out non-charitable activities. However, as the charity has not needed a separate vehicle to conduct any of its activities, Royds Subsidiary continues to be a dormant company. There is no activity against which to report for the year.

***Financial review***

● **Going concern**

The accounts have been prepared on a going concern basis on the assumption that the charity is able to carry on operating as a going concern in the foreseeable future, which the trustees consider appropriate having regard to the following:

- The major source of unrestricted income comes from rents and service charges at the Enterprise Park. The park has continued to perform well throughout the pandemic and occupancy remains above 90%. The trustees see no reason for the success of the Park to diminish in the foreseeable future. The organisation also has long term tenants in the Healthy Living Centre and the shops at Woodside.
- Given the uncertainty surrounding the public sector reduction in funding, the trustees have carried out a risk assessment with a view to mitigating any potential loss in income. The trustees are confident at this stage that the rental income can be retained or replaced with little effect on the budget.
- If funding for the projects is cut, then the service provision will reduce accordingly and corresponding expenditure will be reduced.
- As many organisations are finding the impact of Covid-19 is hard to quantify beyond the short term – during the first quarter of 2021/22 the overall position of Royds has remained stable with the support of COVID grant funding.
- The exiting of the West Yorkshire Pension Fund during the year has resulted in the charity having net current liabilities of £1,176,037 at 31 March 2021. The trustees are confident that they have finance options available to them should they be required

● **Reserves policy**

The Board of Royds Community Association aims to develop a prudent level of reserves equivalent to three months normal trading costs.

**TRUSTEES' REPORT (CONTINUED)**  
*FOR THE YEAR ENDED 31 MARCH 2021*

---

● **Free reserves**

Free reserves provide liquidity that reduces to a minimum the need for short or long term borrowing and the levels of interest or debt associated, thus serving as a protection in the face of unexpected trading variations or cost increases. A target of £500,000 in free reserves has been set to allow for 2 to 3 months operating expenditure. The charitable company's intention is to generate annual surpluses in the medium term to reach this target. Free reserves as at 31 March 2021 were (£2,783) (2020 - £32,227).

● **Financial review**

The charity's total income for the financial year 2020/21 year was £547,451 (2020 - £617,949), total expenditure, including depreciation, was £708,093 (2020 - £770,279) resulting in a deficit for the year of £160,642 (2020 - £39,330).

Depreciation of £129,153 is included in the above figures.

The charity receives restricted funds either through contracting arrangements or in the form of grants from organisations and generates unrestricted funds through rental income and provision of services in its buildings. The major funders during the year were Bradford Metropolitan District Council (Commissioning Unit and Public Health).

Royds exited the West Yorkshire Pension Fund in June 2020, the exit valuation at 30 June 2020 showed a liability of £1,253,000, which has resulted in an actuarial loss for the year of £810,000. The total liability is accounted for within other creditors.

● **Grant making policy**

Grants are made in accordance with the original purpose and conditions of the grant, and procedures are adopted in accordance with the relevant funding agreements.

● **Investment policy**

Any funds that are held for immediate cash flow needs are held in cash or short term deposits. Any remaining funds can be held as a medium term investment.

***Structure, governance and management***

● **Constitution**

Royds Community Association is a Registered Charity and a company limited by guarantee. It is governed by its Memorandum and Articles of Association. The charity has one trading subsidiary, which was dormant in this year. The charity is governed by a board of up to 16 trustees who are responsible for implementing the policies of the organisation. Trustees are on the board for an unlimited period. All of the trustees are also members of the Charitable Company. The Board initiated an internal Governance review in July 2020 and implemented a number of changes during the year.



**TRUSTEES' REPORT (CONTINUED)**  
*FOR THE YEAR ENDED 31 MARCH 2021*

---

**Structure, governance and management (continued)**

● **Methods of appointment or election of Trustees**

The appointment of directors is governed by Articles 20 and 21 of the charity's Articles of Association which provide for the appointment of Local Directors and Institutional Directors, being the company members of the same name. Local Members/Directors and Institutional Directors are recruited through a formal application and selection process, or may be co-opted for their particular knowledge or expertise.

● **Organisational structure and decision-making policies**

The board meets bi-monthly and conducts its business against presented reports and trustee discussion. All decisions are minuted and action lists are compiled following meetings. The board meet annually to review its governance, delivery and future plans. The charity operates a series of committees which report to the full board.

The Finance Committee meets monthly to consider management accounts, cash flow and day-to-day financial control. The Community Committee meets quarterly to consider the running of our community centres, our health, adult care and welfare programmes, and the development of the charities social aims.

The Asset Committee meets monthly to consider the management of the charity's buildings, maintenance and development, and new capital programmes. The committees receive some delegated decision making powers from the board from time to time. The Chief Executive Officer has delegated responsibility for day-to-day-decision making and for limited spending, both against policies agreed previously by the board.

Covid-19 caused significant disruption with our normal governance arrangements by necessity suspended. In their place regular electronic meetings have taken place involving all available Board members. A hybrid meeting structure will continue going forward.

● **Policies adopted for the induction and training of Trustees**

The board has a recruitment and selection policy which includes the recruitment of trustee directors. New directors are offered an induction programme, and the opportunity to shadow other directors. The board also engages in review and training programmes at least once a year. Potential trustee directors are allowed to sit in on board meetings prior to joining in order to understand the business of the charity, and to prepare for taking part in the business of the organisation.

● **Financial risk management**

The charity continually reviews the major risks to which the charity is exposed. Where appropriate, the systems and procedures have been established to manage the risks that the charity faces. The CEO reports to all board meetings of the risk established as part of the annual business planning process. The charity has policies and governance structures for finance, health and safety, recruitment and selection, use of volunteers, equality of opportunity, quality management and risk assessment.

**TRUSTEES' REPORT (CONTINUED)**  
*FOR THE YEAR ENDED 31 MARCH 2021*

---

**Structure, governance and management (continued)**

● **Staffing structure**

The day to day management of Royds is led by the organisation CEO. The CEO works closely with the Board to set and oversee the delivery of our business strategy.

We employ finance and facilities assistants to oversee the core business and asset management functions. Our community projects are delivered by suitably trained and experienced project staff. The oversight of this area of our work is currently under review with the CEO taking the lead.

Royds' long serving CEO retired in June 2020 and an experienced Interim-CEO was appointed to ensure Royds has strong and clear operational leadership. We were very pleased to appoint our new CEO in April 2021 after two comprehensive recruitment processes. Our new CEO has already made a significant positive impact to our charitable and trading performance.

**Plans for future periods**

The charity has had a decade of financially successful years (after excluding depreciation) and will continue to build on this positive success in 2021/22 in the key areas of health, the economy and community empowerment.

The delivery model for the charity is underpinned by the generation of surpluses from unrestricted income – primarily Royds Enterprise Park - to subsidise areas of work which are unable to generate income such as community or youth support, and this continues to allow the charity to deliver against its charitable objectives within a stable financial model. We will continue to work with partners to address local issues and needs. We will also continue to develop collaborative arrangements to attract funds and contracts.

Royds community buildings continue to be at the heart of our charitable delivery, providing economic and employment benefits at Royds Enterprise Park and our local shops, health benefits at the Royds Healthy Living Centre, community benefits at Woodside Village Centre and Delph Hill Centre.

Our key collaborative model is Arise Yorkshire Limited, a company limited by guarantee, formed by Royds and three partners of similar size and make up, which acts as a bidding vehicle for larger, district wide programmes and contracts.

Partnership with other organisations remains a key part of our delivery strategy.

The recovery from Covid-19 will pose many challenges to the organisation and our tenants and partners. As a consequence 2021/22 will by necessity be a time of consolidation and review as we ensure that Royds remains financially viable and develops a positive role within its communities appropriate to the challenges of Covid-19.

**Information on fundraising practices**

The charity doesn't actively fundraise, but appreciates the donations from the public. The charity does not use any professional fundraiser or commercial participator to carry out activities on the charity's behalf.

Due to the low level of fundraising the charity undertakes, the charity is not a participant of a voluntary scheme for regulating fundraising, or any voluntary standard of fundraising for the activities carried out on behalf of the charity. Should the charity at some point in the future undertake a specific fundraising campaign or start to generate more income through fundraising, the trustees will look to sign up to a voluntary fundraising code.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**Statement of Trustees' responsibilities**

The Trustees (who are also the directors of the company for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**Auditors**

The auditors, BHP LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

  
A N Curtis (Dec 14, 2021 13:34 GMT)

**Adrian Nicholas Curtis**  
(Acting Chair of Trustees)

Date: Dec 14, 2021

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROYDS COMMUNITY ASSOCIATION**

---

**Opinion**

We have audited the financial statements of Royds Community Association (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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 Companies Act 2006.

**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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

**Material uncertainty related to going concern**

We draw attention to note 2.2 in the financial statements which discusses the trustees' assessment of the impact of the pension liability on the charity's funds. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Trustees' assessment of the charitable company's ability to continue to adopt the going concern basis of accounting included a review of management accounts and future budgets and forecasts, together with a review of minutes of board meetings and correspondence in relation to the pension liability.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROYDS COMMUNITY ASSOCIATION (CONTINUED)**

---

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company 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 in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROYDS COMMUNITY ASSOCIATION (CONTINUED)**

---

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page , the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations, relevant to the charity, which could give rise to a material misstatement in the financial statements. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management, review of charity minutes and legal expenses. There are inherent limitations in the audit procedures described and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

As part of our audit, we addressed the risk of management override of internal controls, including testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

---

**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROYDS COMMUNITY ASSOCIATION (CONTINUED)**

---

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Lesley Kendrew (Senior Statutory Auditor)**

for and on behalf of

**BHP LLP**

New Chartford House

Centurion Way

Cleckheaton

Bradford

West Yorkshire

BD19 3QB

Date: Dec 14, 2021

**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	<b>Note</b>	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
<b>Income from:</b>					
Donations and legacies	3	84,519	9,198	93,717	3,970
Charitable activities	4	6,985	31,523	38,508	179,381
Other trading activities	5	415,226	-	415,226	434,598
<b>Total income</b>		<b>506,730</b>	<b>40,721</b>	<b>547,451</b>	<b>617,949</b>
<b>Expenditure on:</b>					
Charitable activities	6	584,706	123,387	708,093	770,279
<b>Total expenditure</b>		<b>584,706</b>	<b>123,387</b>	<b>708,093</b>	<b>770,279</b>
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(77,976)</b>	<b>(82,666)</b>	<b>(160,642)</b>	<b>(152,330)</b>
<b>Other recognised gains/(losses):</b>					
Actuarial (losses)/gains on defined benefit pension schemes		(810,000)	-	(810,000)	113,000
<b>Net movement in funds</b>		<b>(887,976)</b>	<b>(82,666)</b>	<b>(970,642)</b>	<b>(39,330)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		3,120,549	110,784	3,231,333	3,270,663
Net movement in funds		(887,976)	(82,666)	(970,642)	(39,330)
<b>Total funds carried forward</b>		<b>2,232,573</b>	<b>28,118</b>	<b>2,260,691</b>	<b>3,231,333</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 38 form part of these financial statements.



**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**  
REGISTERED NUMBER: 2919781

**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Fixed assets</b>			
Tangible assets	11	<b>3,488,355</b>	3,531,321
Investments	12	<b>1</b>	1
		<b>3,488,356</b>	3,531,322
<b>Current assets</b>			
Debtors	13	<b>55,661</b>	194,674
Cash at bank and in hand		<b>177,681</b>	155,485
		<b>233,342</b>	350,159
Creditors: amounts falling due within one year	14	<b>(1,409,379)</b>	(191,869)
<b>Net current liabilities / assets</b>		<b>(1,176,037)</b>	158,290
<b>Total assets less current liabilities</b>		<b>2,312,319</b>	3,689,612
Creditors: amounts falling due after more than one year	15	<b>(51,628)</b>	(15,279)
<b>Net assets excluding pension asset / liability</b>		<b>2,260,691</b>	3,674,333
Defined benefit pension scheme asset / liability		-	(443,000)
<b>Total net assets</b>		<b>2,260,691</b>	3,231,333
<b>Charity funds</b>			
Restricted funds	17	<b>28,118</b>	110,784
Unrestricted funds			
Unrestricted funds excluding pension asset	17	<b>3,485,573</b>	3,563,549
Pension reserve	17	<b>(1,253,000)</b>	(443,000)
Total unrestricted funds	17	<b>2,232,573</b>	3,120,549
<b>Total funds</b>		<b>2,260,691</b>	3,231,333

---

**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2021**

---

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

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

  
A N Curtis (Dec 14, 2021 13:34 GMT)

**Adrian Nicholas Curtis**  
(Acting Chair of Trustees)  
Date: Dec 14, 2021

The notes on pages 18 to 38 form part of these financial statements.

---

**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

	<b>2021</b>	2020
	<b>£</b>	£
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>64,650</b>	26,108
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	<b>(90,904)</b>	(26,406)
Proceeds from sale of investments	<b>5,783</b>	-
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(85,121)</b>	<b>(26,406)</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Cash inflows from new borrowing	<b>50,000</b>	-
Repayments of borrowing	<b>(7,333)</b>	(7,332)
	<hr/>	<hr/>
<b>Net cash provided by/(used in) financing activities</b>	<b>42,667</b>	<b>(7,332)</b>
	<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>	<b>22,196</b>	<b>(7,630)</b>
Cash and cash equivalents at the beginning of the year	<b>155,485</b>	163,115
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>177,681</b>	155,485
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 18 to 38 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 MARCH 2021*

---

**1. General information**

Royds Community Association is a charitable company limited by guarantee, incorporated in England and Wales. The registered office is Royds Enterprise Park, Future Fields, Buttershaw, West Yorkshire, BD6 3EW.

The members of the charitable company are the Trustees named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Royds Community Association 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.

**2.2 Going concern**

The accounts have been prepared on a going concern basis on the assumption that the charity is able to carry on operating as a going concern in the foreseeable future, which the trustees consider appropriate having regard to the following:

The major source of unrestricted income comes from rents and service charges at the Enterprise Park. The park has continued to perform well throughout the pandemic and occupancy remains above 90%. The trustees see no reason for the success of the Park to diminish in the foreseeable future. The organisation also has long term tenants in the Healthy Living Centre and the shops at Woodside.

Given the uncertainty surrounding the public sector reduction in funding, the trustees have carried out a risk assessment with a view to mitigating any potential loss in income. The trustees are confident at this stage that the rental income can be retained or replaced with little effect on the budget.

If funding for the projects is cut, then the service provision will reduce accordingly and corresponding expenditure will be reduced.

As many organisations are finding the impact of Covid-19 is hard to quantify beyond the short term – during the first quarter of 2021/22 the overall position of Royds has remained stable with the support of COVID grant funding.

The exiting of the West Yorkshire Pension Fund during the year has resulted in the charity having net current liabilities of £1,176,037 at 31 March 2021. The trustees are confident that they have finance options available to them should they be required.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**2. Accounting policies (continued)**

**2.3 Income**

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**2.4 Expenditure**

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**2.5 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

Grants received in relation to the government Coronavirus Job Retention Scheme (Furlough) have been recognised within income from charitable activities. The grant is accounted for on the accruals basis once the related payroll return has been submitted.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

---

**2. Accounting policies (continued)**

**2.6 Tangible fixed assets and depreciation**

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives. .

Depreciation is provided on the following bases:

Freehold property	- 2% per annum on cost
Plant and machinery	- 25% per annum on a reducing balance basis
Fixtures and fittings	- 25% per annum on a reducing balance basis

**2.7 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

**2.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.9 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

---

**2. Accounting policies (continued)**

**2.10 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

**2.11 Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.12 Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**2.13 Pensions**

The company operated a defined benefits pension scheme during the year. The company exited the West Yorkshire Pension Fund in June 2020 after the retirement of the last active member.

**2.14 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**3. Income from donations and legacies**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b><i>Government grants</i></b>				
Coronavirus Job Retention Scheme grant	15,945	9,198	<b>25,143</b>	-
Coronavirus exceptional support	68,574	-	<b>68,574</b>	-
<b><i>Subtotal detailed disclosure</i></b>	<b>84,519</b>	<b>9,198</b>	<b>93,717</b>	-
Donations	-	-	-	3,970
	<b>84,519</b>	<b>9,198</b>	<b>93,717</b>	<b>3,970</b>
Total 2020	-	3,970	3,970	

**4. Income from charitable activities**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from charitable activities - Health & Advice	6,985	31,523	<b>38,508</b>	179,381
Total 2020	-	179,381	179,381	



**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**5. Income from other trading activities**

**Income from non charitable trading activities**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Enterprise Park	343,247	<b>343,247</b>	381,379
Woodside Community Centre	-	-	8,996
Delph Hill Centre	220	<b>220</b>	1,352
Healthy Living Centre	58,296	<b>58,296</b>	25,012
Consulting	-	-	6,909
Shops	13,463	<b>13,463</b>	10,950
	<u>415,226</u>	<u><b>415,226</b></u>	<u>434,598</u>
Total 2020	<u>434,598</u>	<u>434,598</u>	

**6. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Health & Advice	18,002	114,606	<b>132,608</b>	170,764
Cost of Generating Funds	566,704	8,781	<b>575,485</b>	599,515
	<u>584,706</u>	<u>123,387</u>	<u><b>708,093</b></u>	<u>770,279</u>
Total 2020	<u>574,537</u>	<u>195,742</u>	<u>770,279</u>	

---

**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**7. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2021 £</b>	<b>Support costs 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Health & Advice	132,608	-	<b>132,608</b>	170,764
Cost of Generating Funds	-	575,485	<b>575,485</b>	599,515
	<u>132,608</u>	<u>575,485</u>	<u><b>708,093</b></u>	<u>770,279</u>
Total 2020	<u>170,764</u>	<u>599,515</u>	<u>770,279</u>	

**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**7. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Costs of generating funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Staff costs	120,798	<b>120,798</b>	175,838
Depreciation	129,153	<b>129,153</b>	141,614
Facilities Manager	65,553	<b>65,553</b>	55,423
Consultant	7,302	<b>7,302</b>	15,078
Pension financing costs	-	-	13,000
Interim CEO	63,367	<b>63,367</b>	-
Other staff costs	2,215	<b>2,215</b>	2,478
Rent & security	31,303	<b>31,303</b>	34,665
Rates	30,935	<b>30,935</b>	17,020
Insurance	23,658	<b>23,658</b>	23,858
Light and heat	8,543	<b>8,543</b>	26,099
Repairs and maintenance	67,315	<b>67,315</b>	65,963
Printing, postage and stationery	3,278	<b>3,278</b>	4,323
Telephone	3,057	<b>3,057</b>	5,296
Finance support	2,125	<b>2,125</b>	-
Professional fees	362	<b>362</b>	230
General office and administration	4,086	<b>4,086</b>	6,999
Subscriptions	1,155	<b>1,155</b>	4,704
Bank interest and charges	3,221	<b>3,221</b>	2,391
Sundries	2,726	<b>2,726</b>	4,536
Café costs	5,333	<b>5,333</b>	-
	<b>575,485</b>	<b>575,485</b>	599,515
Total 2020	599,515	599,515	

**8. Auditors' remuneration**

The auditors' remuneration amounts to an auditor fee of £6,900 (2020 - £5,900).

---

**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**9. Staff costs**

	<b>2021</b>	2020
	<b>£</b>	£
Wages and salaries	<b>206,693</b>	250,331
Social security costs	<b>16,703</b>	18,237
Contribution to defined contribution pension schemes	<b>7,848</b>	21,000
	<b>231,244</b>	289,568

The average number of persons employed by the company during the year was as follows:

	<b>2021</b>	2020
	<b>No.</b>	No.
Management	<b>2</b>	2
Health and Advice	<b>5</b>	4
Administration and support	<b>3</b>	7
	<b>10</b>	13

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity are deemed to be the Chief Executive Officer, the interim Chief Executive Officer and Finance Manager whose employee benefits total £140,946 (2020 - £151,628).

**10. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, expenses totalling £NIL were reimbursed or paid directly to Trustees (2020 - £681 to 1 Trustee). These expenses related to reimbursement of travel to and from trustee meetings.

**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**11. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
<b><i>Cost or valuation</i></b>				
At 1 April 2020	5,192,681	351,809	284,428	5,828,918
Additions	21,176	1,136	68,592	90,904
Disposals	-	(8,000)	(92)	(8,092)
At 31 March 2021	5,213,857	344,945	352,928	5,911,730
<b><i>Depreciation</i></b>				
At 1 April 2020	1,741,911	317,750	237,936	2,297,597
Charge for the year	103,866	8,445	16,842	129,153
On disposals	-	(3,375)	-	(3,375)
At 31 March 2021	1,845,777	322,820	254,778	2,423,375
<b><i>Net book value</i></b>				
At 31 March 2021	3,368,080	22,125	98,150	3,488,355
At 31 March 2020	3,450,770	34,059	46,492	3,531,321

---

**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**12. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2020	1
At 31 March 2021	1

**Principal subsidiaries**

The following was a subsidiary undertaking of the company:

Name	Company number	Principal activity	Class of shares	Holding
Royds Community Association (Subsidiary) Limited	4497758	Dormant	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Net assets £
Royds Community Association (Subsidiary) Limited	1

**13. Debtors**

	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	37,330	63,161
Other debtors	-	3,865
Prepayments and accrued income	18,331	127,648
	55,661	194,674

---

**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**14. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans	<b>6,316</b>	-
Other loans	<b>7,334</b>	7,333
Trade creditors	<b>41,469</b>	52,611
Other taxation and social security	<b>15,995</b>	13,583
Other creditors	<b>1,306,300</b>	76,726
Accruals and deferred income	<b>31,965</b>	41,616
	<b>1,409,379</b>	191,869

**15. Creditors: Amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans	<b>51,628</b>	15,279

**16. Financial instruments**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b><i>Financial assets</i></b>		
Financial assets measured at fair value through income and expenditure	<b>177,681</b>	155,485

Financial assets measured at fair value through income and expenditure comprise of bank balances.

**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**17. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
<b><i>Unrestricted funds</i></b>					
General Funds - all funds	3,563,549	506,730	(584,706)	-	3,485,573
Pension reserve	(443,000)	-	-	(810,000)	(1,253,000)
	<u>3,120,549</u>	<u>506,730</u>	<u>(584,706)</u>	<u>(810,000)</u>	<u>2,232,573</u>
<b><i>Restricted funds</i></b>					
The LEAP Project	34,846	5,290	(40,136)	-	-
ESF	23,428	(23,428)	-	-	-
Football and Flamenco	6,380	-	(188)	-	6,192
Postcode Lottery	13,113	-	(13,113)	-	-
Lung cancer	5,190	-	-	-	5,190
New Horizons	27,827	-	(11,091)	-	16,736
Coronavirus Job Retention Scheme grant	-	9,198	(9,198)	-	-
Other restricted funds	-	49,661	(49,661)	-	-
	<u>110,784</u>	<u>40,721</u>	<u>(123,387)</u>	<u>-</u>	<u>28,118</u>
<b><i>Total of funds</i></b>	<u><u>3,231,333</u></u>	<u><u>547,451</u></u>	<u><u>(708,093)</u></u>	<u><u>(810,000)</u></u>	<u><u>2,260,691</u></u>



**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**17. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
<b>Unrestricted funds</b>						
General funds	3,773,862	434,598	(578,537)	(66,374)	-	3,563,549
Pension reserve	(560,000)	-	4,000	-	113,000	(443,000)
	<u>3,213,862</u>	<u>434,598</u>	<u>(574,537)</u>	<u>(66,374)</u>	<u>113,000</u>	<u>3,120,549</u>
<b>Restricted funds</b>						
Migration	4,398	5,907	(13,189)	2,884	-	-
EDEA	12,029	493	(14,496)	1,974	-	-
Financial Inclusion	5,000	(2,500)	(5,000)	2,500	-	-
Diabetes Funding	7,604	12,410	(20,014)	-	-	-
ABCD	2,816	117	(14,505)	11,572	-	-
Anti Loan Shark	1,788	5,000	(6,788)	-	-	-
Self Care Champion	2,830	24,000	(11,083)	(15,747)	-	-
Befriending	9,383	9,583	(18,966)	-	-	-
Community 7	1,951	496	-	(2,447)	-	-
Marginalised Communities	3,542	1,295	(10,707)	5,870	-	-
The LEAP Project	-	34,846	-	-	-	34,846
ESF	-	39,899	(21,440)	4,969	-	23,428
Football and Flamenco	-	8,120	(1,740)	-	-	6,380
Postcode Lottery	-	16,104	(2,991)	-	-	13,113
Lung Cancer	-	9,500	(4,310)	-	-	5,190
New Horizons	-	5,070	(37,156)	59,913	-	27,827
Other restricted funds	5,460	13,011	(13,357)	(5,114)	-	-
	<u>56,801</u>	<u>183,351</u>	<u>(195,742)</u>	<u>66,374</u>	<u>-</u>	<u>110,784</u>
<b>Total of funds</b>	<u><u>3,270,663</u></u>	<u><u>183,351</u></u>	<u><u>(770,279)</u></u>	<u><u>-</u></u>	<u><u>113,000</u></u>	<u><u>3,231,333</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**Restricted funds notes**

The LEAP Project - Royds was part of a consortium of organisations (this has now been handed over to Mind the gap) and managed a project for a minimum of 4 years to help Bradford become recognised as a 'Culture capital'. Based in some of the poorest areas in Bradford and Keighley the project was designed to introduce the under privileged to such things as Theatre which they may not usually be able to afford.

ESF - Funded activity aimed at providing a supported gateway to employment. Focused on Adults with mild to moderate health disorders/disabilities.

Football and Flamenco – this was funded by Bradford VCS Alliance and was carried out at Delph Hill centre, teaching children about Football and Dancing

Postcode lottery – Funded by Postcode lottery, this was advice sessions and entertainment provided at Sandale centre and Wibsey Methodist Church

Lung Cancer – Funded from The Ridge, the project was for Lung cancer research. Staff asked smokers and ex-smokers over 55 to complete questionnaires which then enabled the practice to do further research.

New Horizon relates to a grant provided by Bradford Council to run daycare, wellbeing and befriending services.

Migration funding was given to Arise to manage but Royds have taken over management of one of the schemes, provided for integrating cultures within the Buttershaw area.

EDEA - Everyday Active was a funded activity aimed at increasing physical activity within key age and social demographics. The activity is no longer in operation.

Financial inclusion is a programme with one-off funding from Bradford Council to provide one-to-one and group support for individuals and families experiencing financial hardship or lack of financial inclusion.

Diabetes funding is a programme funded by the CCGs via the VCS Alliance to provide support to referred patients with Diabetes Type 2 by helping them change their diet, increase their exercise and change their lifestyle in order to reduce or eliminate their Diabetes Type 2 diagnosis.

ABCD is a programme funded by the CCGs via the VCS Alliance to provide small grants of up to £1,000 to grassroots organisations looking to start-up or improve their activities with key groups or localities which improve their health and well-being.

Anti Loan Shark is a programme funded to increase financial literacy in the Royds area though direct assistance and by encouraging membership of Bradford Credit Union as a means of controlling budgets more successfully.

Self Care Champion is a post funded by the Primary Care Network via Community Partnership 7 to take referred patients who are either frequent attenders at GP practices or where the GP feels there is a need to spend more time directing the patient to access non-clinical support.

Befriending is a programme funded by the West Yorkshire Harrogate Health and Care Partnership to tackle loneliness and isolation in the district. Royds was commissioned to manage a befriending learning programme, creating a stronger network of providers, of providing training opportunities and of trialling innovative ideas for providing the service more widely.

**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 MARCH 2021*

---

CP7 (Community 7) is a partnership of doctors, health agencies, local authority, voluntary and community sector and others based on a locality covering five GP practices working together to improve the way in which health support is provided based more on the need and aspirations of the community. CP7 is commissioning Royds to support the partnership in providing a Self-Care Champion, a Single Point of Access service, management of partner and community workshops, and coordination of VCS engagement with health in the locality.

Marginalised communities is a programme funded by the Home Office via Bradford Council which aims to tackle fear and intolerance between people of different cultures and backgrounds. Royds is commissioned to manage a programme in eight localities in the district, and to coordinate local provision which uses imaginative techniques such as drama, film, newspapers, gardening and food to bring people of differing backgrounds together and to reduce tensions and fears by encounter and relationship building.

**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**18. Summary of funds**

**Summary of funds - current year**

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds	3,120,549	506,730	(584,706)	(810,000)	2,232,573
Restricted funds	110,784	40,721	(123,387)	-	28,118
	<b>3,231,333</b>	<b>547,451</b>	<b>(708,093)</b>	<b>(810,000)</b>	<b>2,260,691</b>

**Summary of funds - prior year**

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
General funds	3,213,862	434,598	(574,537)	(66,374)	113,000	3,120,549
Restricted funds	56,801	183,351	(195,742)	66,374	-	110,784
	<b>3,270,663</b>	<b>617,949</b>	<b>(770,279)</b>	<b>-</b>	<b>113,000</b>	<b>3,231,333</b>

**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	3,488,355	-	3,488,355
Fixed asset investments	1	-	1
Current assets	205,224	28,118	233,342
Creditors due within one year	(1,409,379)	-	(1,409,379)
Creditors due in more than one year	(51,628)	-	(51,628)
<b>Total</b>	<b>2,232,573</b>	<b>28,118</b>	<b>2,260,691</b>

**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**19. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	3,531,321	-	3,531,321
Fixed asset investments	1	-	1
Current assets	239,375	110,784	350,159
Creditors due within one year	(191,869)	-	(191,869)
Creditors due in more than one year	(15,279)	-	(15,279)
Provisions for liabilities and charges	(443,000)	-	(443,000)
<b>Total</b>	<b>3,120,549</b>	<b>110,784</b>	<b>3,231,333</b>

**20. Reconciliation of net movement in funds to net cash flow from operating activities**

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	<b>(160,642)</b>	(152,330)
<b>Adjustments for:</b>		
Depreciation charges	<b>129,153</b>	141,614
Loss/(profit) on the sale of fixed assets	<b>(1,067)</b>	-
Decrease in debtors	<b>139,013</b>	104,921
(Decrease) in creditors	<b>(41,807)</b>	(64,097)
Defined benefit pension scheme cost less contribution payable	-	(17,000)
Defined contribution pension scheme finance cost	-	13,000
<b>Net cash provided by operating activities</b>	<b>64,650</b>	26,108

---

**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**21. Analysis of cash and cash equivalents**

	<b>2021</b>	2020
	<b>£</b>	<b>£</b>
Cash in hand	<b>177,681</b>	155,485
<b>Total cash and cash equivalents</b>	<b>177,681</b>	155,485

**22. Analysis of changes in net debt**

	<b>At 1 April 2020</b>	<b>Cash flows</b>	<b>At 31 March 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>155,485</b>	<b>22,196</b>	<b>177,681</b>
Debt due within 1 year	<b>(7,333)</b>	<b>(6,317)</b>	<b>(13,650)</b>
Debt due after 1 year	<b>(15,279)</b>	<b>(36,349)</b>	<b>(51,628)</b>
	<b>132,873</b>	<b>(20,470)</b>	<b>112,403</b>

**23. Pension Commitments**

Royds Community Association was an admitted body to the West Yorkshire Pension Fund during the year, which is a defined benefit scheme, for the benefit of certain employees. Benefits are based upon final pensionable pay. Pension contributions are charged to the Income and Expenditure account so as to spread the cost over the employees' working lives with the company. The actual employer contributions paid during the year were £5,000 (2020: £21,000). The Charity ceased its participation of the scheme on 30 June 2020, due to retirement of the last active member. The shortfall at the exit date of £1,253,000 has been transferred to other creditors during the year.

**Amounts recognised in the income and expenditure account:**

	<b>2021</b>
	<b>£</b>
Operating cost:	
Current service cost	<b>5,000</b>

---

**ROYDS COMMUNITY ASSOCIATION**  
**(A Company Limited by Guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**Amounts recognised in other comprehensive income:**

	<b>2021</b> <b>£</b>
Asset gains / (losses) arising during the period	<b>142,000</b>
Liability losses arising during the period	<b>(952,000)</b>
<b><i>Total amount recognised in other comprehensive income</i></b>	<b><u>(810,000)</u></b>

Changes in the present value of the defined benefit obligation are as follows:

	<b>2021</b> <b>£</b>
Opening defined benefit obligation	<b>2,356,000</b>
Current service cost	<b>5,000</b>
Actuarial losses	<b>952,000</b>
Benefits paid	<b>(12,000)</b>
Settlement of obligation - transferred to other creditors	<b>(3,301,000)</b>
<b><i>Closing defined benefit obligation</i></b>	<b><u>-</u></b>

Changes in the fair value of scheme assets are as follows:

	<b>2021</b> <b>£</b>
Opening fair value of scheme assets	<b>1,913,000</b>
Actuarial gains on assets	<b>142,000</b>
Contributions by employer	<b>5,000</b>
Benefits paid	<b>(12,000)</b>
Settlement of obligation - transferred to other creditors	<b>(2,048,000)</b>
<b><i>Closing fair value of scheme liabilities</i></b>	<b><u>-</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**24. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

**25. Related party transactions**

The following related party transactions have occurred during the year:

**Arise Yorkshire Limited**

Arise Yorkshire Limited is a joint venture company in which Royds Community Association is a partner. Recharge of accountancy and administrative services of £1,799 (2020: £1,114) to Arise Yorkshire Limited.

Amount payable to Arise Yorkshire Limited on 31st March 2020 is £nil (2020: £2,750).

Amount receivable from Arise Yorkshire Limited on 31st March 2021 is £206 (2020: £nil).

**Design Web**

Mark Wilkie was a trustee of the charity until 26 September 2019 and is a proprietor of Design Web.

Purchases made by Royds Community Association from Design Web were £nil (2020: £2,078).

**Voluntary Action - Leeds**

Adrian Curtis is a trustee of Voluntary Action - Leeds.

Purchases made by Royds Community Association from Voluntary Action - Leeds were £60 (2020: £nil).



**Royds Community Association  
Royds Enterprise Park  
Future Fields  
Buttershaw  
Bradford  
West Yorkshire  
BD6 3EW**

**Registered number: 1042233**

BHP LLP  
New Chartford House  
Centurion Way  
Cleckheaton  
Bradford  
West Yorkshire  
BD19 3QB

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the charitable company's financial statements for the year ended 31 March 2021. These enquiries have included inspection of supporting documentation where appropriate. All representations are made to the best of our knowledge and belief.

- 1 We have fulfilled our responsibilities as directors as set out in the terms of your engagement letter dated 13 September 2021, under the Companies Act 2006 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
- 2 All the transactions undertaken by the charitable company have been properly reflected and recorded in the accounting records.
- 3 All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charitable company, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with The Charity Commission.
- 4 The financial statements are free of material misstatements, including omissions.
- 5 The effects of uncorrected misstatements are immaterial both individually and in total.
- 6 We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
- 7 We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
- 8 We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.
- 9 The charitable company has satisfactory title to all assets and there are no liens or encumbrances on the charitable company's assets, except for those that are disclosed in the notes to the financial statements.
- 10 All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
- 11 We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
- 12 Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

- 13 The charitable company has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.
- 14 We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.
- 15 We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- 16 Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with legislative and accounting standards requirements.
- 17 All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.
- 18 We believe that the charitable company's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charitable company's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the charitable company's ability to continue as a going concern need to be made in the financial statements.
- 19 All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

**Signed on behalf of the Board of Directors of  
Royds Community Association**

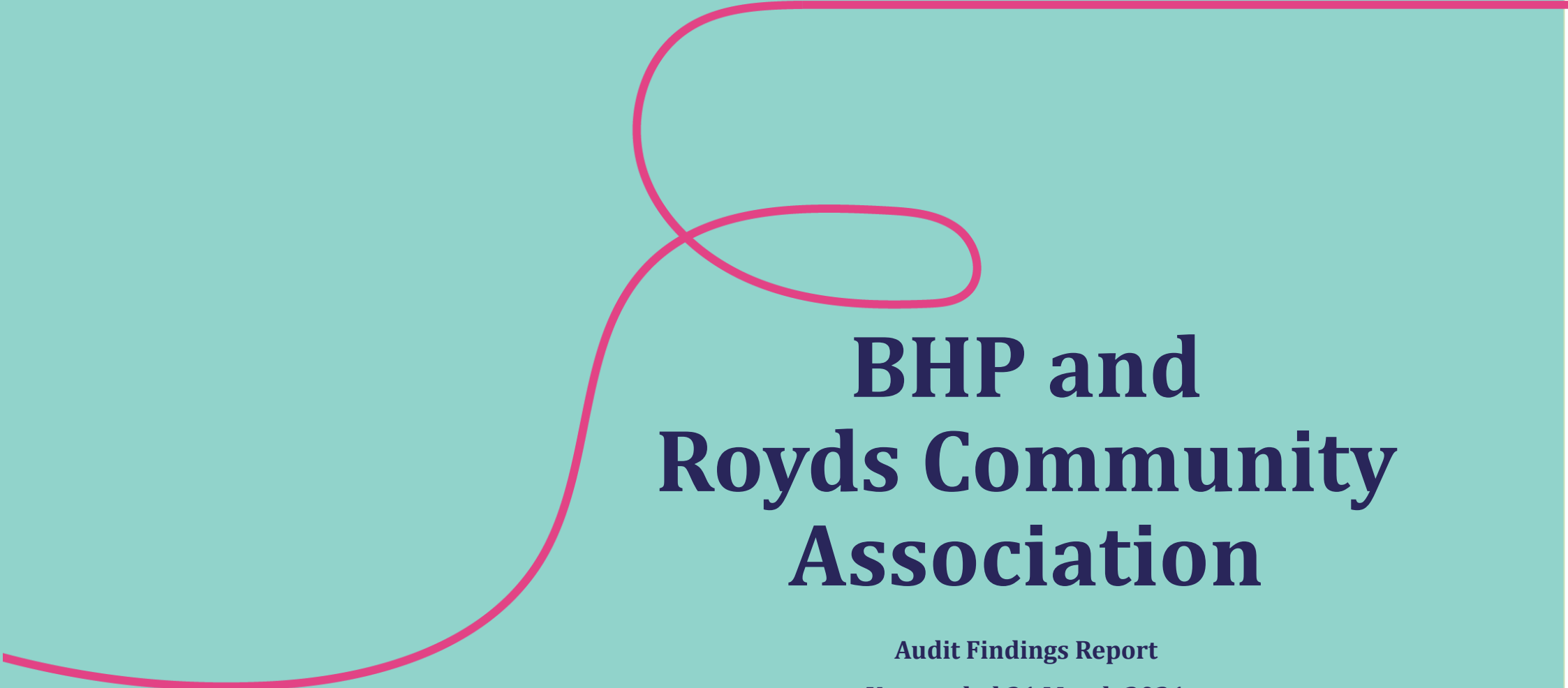
*A N Curtis*

A N Curtis (Dec 14, 2021 13:34 GMT)

**Adrian Curtis  
Acting Chair of Trustees**

Dec 14, 2021

**Dated**



# **BHP and Royds Community Association**

**Audit Findings Report**

**Year ended 31 March 2021**

**13 December 2021**



Assurance Advisory Corporate Finance Tax

Reassuringly straight-laced since 1867  
[bhp.co.uk](https://bhp.co.uk)

# Content

---

Introduction	Page 1
Audit summary	Page 2
Key audit risks	Page 3
Internal controls	Page 5
Appendix 1 – Surplus/(deficit) reconciliation	Page 9
Appendix 2 – Unadjusted misstatements	Page 10
Appendix 3 – Qualitative aspects of accounting practice and financial reporting	Page 11
Appendix 4 – Outstanding matters	Page 12
Appendix 5 – Keeping you informed	Page 13

The Board of Trustees  
Royds Community Association  
Royds Enterprise Park  
Future Fields  
Buttershaw  
Bradford  
BD6 3EW

13 December 2021

Dear Sirs

**Audit of the Financial Statements of Royds Community Association for the year ended 31 March 2021**

This letter forms part of the ongoing communication we are required to make under the relevant auditing standard (International Standard on Auditing (UK) 260). The purpose of this document is to report to those charged with governance, the findings following our audit of the financial statements.

As explained in our audit plan, we are responsible for forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities and details of our respective responsibilities are summarised in our letter of engagement dated 13 September 2021.

This report is prepared solely for the confidential use of Royds Community Association, as part of our audit process, and relates only to matters that have come to our attention during the audit process. The report is not a comprehensive record of all relevant matters and should not be relied upon for any other purpose than that noted above. It is prepared solely for your use and should not be communicated in whole or part to any third party and we accept no responsibility to any party who place any reliance on it.

We would like to take this opportunity to thank Clair Varney and Andrea Briggs at Royds Community Association for the assistance that they have provided to us during the course of our audit.

Yours faithfully

Lesley Kendrew  
Audit Engagement Partner  
for and on behalf of BHP LLP

BHP, Chartered Accountants  
New Chartford House  
Centurion Way  
Cleckheaton  
Bradford  
West Yorkshire  
BD19 3QB

We communicated our audit approach in our audit plan dated 26 April 2021. We reconfirm that we have considered our independence, and there are no changes identified since our communication at the planning stage.

Our audit work is predominantly complete subject to the outstanding items noted in Appendix 4, and receipt of a signed letter of representation as shown in draft in Appendix 5.

Our audit fieldwork has not highlighted any additional areas of risk, other than those previously reported to you. The previously reported risks, along with a description of our audit approach and conclusions, are set out in the next section.

We have noted a number of potential deficiencies in internal controls that came to our attention during the course of our audit. We will discuss these with you and update our report for your responses.

Other areas of our report include:

- Appendix 1 details the adjustments that have been made to the trial balance provided to us at the planning stage.
- A summary of the unadjusted misstatements identified during the audit testing is detailed in Appendix 2
- Appendix 3 draws your attention to certain qualitative aspects of accounting practice and financial reporting.

Set out below is the summary of our assessment of the key business and audit risks affecting the financial statements, together with an overview of our planned audit procedures, as identified and communicated in our audit plan. We have also set out below our approach and work performed, together with the audit conclusion in relation to each risk.

Risk	Description	Our approach (how we addressed the risk)	Audit conclusion
Revenue recognition	<p>Auditing standards state that there is a presumed risk that revenue may be misstated</p> <p>Revenue can be mis-stated through errors in bookkeeping or cut-off, or from fraudulent activities</p>	We have reviewed and tested revenue, deferred and accrued income to ensure all income relevant to the accounting period is recognised and in the correct period. This has been done mainly through transactional testing which has focused on the completeness of income and a review of cut off procedures	No audit issues noted.
Management override of controls	<p>Auditing standards state that the presumed risk of management override of controls exists in all entities</p> <p>Due to the size of the organisation, it is not possible to have all the controls and segregation of duties in place to ensure there is no opportunity for management over-ride. We therefore consider this a key business risk</p>	We have used selected a sample of journals to test to ensure that they were in line with normal procedures, with no indications of bias.	No audit issues noted.
Going concern	The charity may not have sufficient reserves or a loss/decline in income could impact the ability to continue as a going concern	We have made enquiries of management to confirm the Trustees' use of the going concern basis. We reviewed budgets & forecasts and free reserves calculation for the 12 months from the expected date of sign off. We assessed the reasonableness of these to form an opinion on the use of the going concern basis	Following review of the budgets and forecasts, we have agreed that there is a material uncertainty related to going concern

## Identified audit risks




4

Risk	Description	Our approach (how we addressed the risk)	Audit conclusion
Restricted and endowment funds	Risk that income and expenditure in relation to restricted and endowment funds is not correctly disclosed or spent for the relevant purpose	As part of our transactions testing of income we reviewed the sources of income to assess whether they should be recorded as restricted funds. We selected a sample of expenditure allocated against restricted funds to ensure the funds have been correctly applied for the purpose for which they were received	No audit issues noted.
Laws and regulations	Failure to comply could result in a major financial or reputational impact on the charity	We reviewed the minutes of the charity, correspondence with the regulators and discussed with management to identify instances of non-compliance and claims	No audit issues noted.










The purpose of the audit was to form an opinion on the financial statements. As part of our audit, we have considered the internal controls relevant to the preparation of the financial statements, in order to design audit procedures to allow us to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal controls. The matters reported are limited to those deficiencies in internal controls which came to our attention during the course of our audit work. This does not constitute a comprehensive statement of all deficiencies that may exist or of all improvements which may be made and has addressed only those matters which have come to our attention as a result of the audit procedures performed.

Our findings and recommendations are noted below. We have assigned a priority indication to each finding to reflect the urgency we consider management should place in addressing each item.

	Implies a high priority issue requiring immediate management attention		Implies an important issue that should be reviewed and or implemented at your earliest convenience		Implies an advisory issue that is raised purely for management information and possible further discussion
---	--	---	--	---	--

2021

Observation	Risk	Rating	Recommendation	Response
There is a record of the fund balances but this is not kept fully up to date and required additional work to be conducted.  There is also no record for allocation of costs between restricted and unrestricted funds	Possible misstatement of restricted funds held at year end		We recommend that records are kept of specific fund expenditure to ensure that all relevant expenses are allocated to the correct funds.	At present we only have 4 individual funds which are split out in Xero, we have also looked at an app and should we introduce more funds will revisit this
There is no register of interest in place	Potential for related party transactions not to be correctly disclosed		To put in place a register of interest worksheet and distribute at the next trustees meeting for confirmation of any related parties. This should be an ongoing Board Meeting agenda point.	This is being reviewed and all Trustee's will be asked to update their current details
Anthony Dylak's name appears on the March 2021 credit card statement	Potential of fraud due to lack of accountability of the credit card transactions		Ensure that Anthony Dylak is removed from the company's credit card account and the correct person is added	This matter has now been dealt with.

Observation	Risk	Rating	Recommendation	Response
Appropriate evidence of employee pay and ID is not kept in personnel files	Potential for employees to be paid incorrectly		Ensure that updated contracts of employment or salary increase letters, and ID are kept in personnel files	Up to date contracts of employment and increase documents have not been kept, this will be kept going forward as well as employees being salaried rather than given an hourly rate
Time allocation of wages for funds is not done accurately and based on budgeted time allocation	Potential for funds to not be stated correctly as the wage allocation may not be accurate.		Possibly complete timesheets for every 15 minutes of the day stating whether they were working on a specific fund or whether just general admin costs.	Previous members of staff worked hours on several Funds, our current members of staff work on specific Funds and their time does not cross over. If we employ anyone moving forwards where their role is split between funds timesheets will be produced to ensure accurate reporting
The Solar panel loan interest is being accounted for on a straight-line basis rather than at the Effective Interest Rate (as per FRS102)	Potential of misstatement of loan balance		To account for loan balances in line with FRS102	Future loans will be calculated at the Effective Interest Rate.
The New Horizons petty cash is in credit at the year end	Unaccounted or unallocated petty cash		Ensure petty cash is reconciled on a monthly basis	We currently don't hold any petty cash for New Horizons

## Internal controls

7

We have also set out the deficiencies identified in the previous period's audit with an update on the position in the current year.

2020

Observation	Risk	Rating	Recommendation	Update in current year
There is a record of the fund balances but this is not kept fully up to date and required additional work to be conducted.	Possible misstatement of restricted funds held at year end	●	We recommend that records are kept of specific fund expenditure to ensure that all relevant expenses are allocated to the correct funds.	This is still an issue in the current year.
There is no register of interest in place	Potential for related party transactions not to be correctly disclosed	●	To put in place a register of interest worksheet and distribute at the next trustees meeting for confirmation of any related parties. This should be an ongoing Board Meeting agenda point.	This is still an issue in the current year
Time allocation of wages for funds is not done accurately and based on budgeted time allocation.	Potential for funds to not be stated correctly as the wage allocation may not be accurate.	●	Possibly complete timesheets for every 15 minutes of the day stating whether they were working on a specific fund or whether just general admin costs.	This is still an issue in the current year
No detailed listing of bonds held by the client for tenants.	Possibility of misstating bond balances held and not paying back correct bonds to tenants	●	Prepare a detailed schedule of all bonds held for tenants and units	This has been rectified in the current year

Observation	Risk	Rating	Recommendation	Update in current year
The prepayment and accruals breakdowns did not balance to the trial balance provided	Possibility of invoices not being accrued and therefore understatement of expenditure and also possibility of missed accrued income in prepayments	●	Ensure a month end reconciliation is completed each month with the management accounts	This has been rectified in the current year
The Solar panel loan interest is being accounted for on a straight-line basis rather than at the Effective Interest Rate (as per FRS102)	Potential of misstatement of loan balance	●	To account for loan balances in line with FRS102	This is still an issue in the current year
The New Horizons petty cash is in credit at the year end	The New Horizons petty cash is in credit at the year end	●	Ensure petty cash is reconciled on a monthly basis	This is still an issue in the current year

## Appendix 1 – Surplus/ (deficit) reconciliation

9

We set out below the identified audit misstatements that have been adjusted in the financial statements and show a reconciliation between the surplus/ (deficit) per the trial balance/management accounts provided at the planning stage and that reported in the financial statements.

Surplus/(deficit) per trial balance or management accounts	Total (£63,107)
Correct classification of proceeds from sale of tablet and sale of towable platform	£5,783
Depreciation charge for the period	(£129,153)
Bad debts written off in the period	£2,935
Clear b/f wages creditor	£27,698
Move income from fixed assets to other income	£3,650
Correction to fixed assets	£134
Fixed asset disposals	(£4,717)
Write off other debtors	(£3,865)
Actuarial loss on pension scheme	(£810,000)
Surplus/(deficit) per the draft financial statements	(£970,642)

On behalf of the board, I hereby approve the adjustments summarised above:

Name: A N Curtis  
A N Curtis (Dec 14, 2021 13:34 GMT)

Position: Acting Chair of Trustees

Date: Dec 14, 2021



We set out below the misstatements, above the level of 'clearly trivial', that we have identified during our audit testing. These misstatements were not considered material either individually or in aggregate and so have not been adjusted in the financial statements.

Detail	SOFA		Balance sheet	
	Dr	Cr	Dr	Cr
	£	£	£	£
Error in relation to post year-end sales credit notes	832			832
Error in relation to post year-end purchase credit notes		660	660	
Holiday pay accrual not accounted for	1,478			1,478
Post year end purchase invoices relating to March 2021	3,143			3,143
Total potential adjustments	5,889	660	660	5,889
Total effect of these misstatements on surplus			Overstatement	(5,229)

The level of materiality used in this audit was calculated to be £11,938.

Items that were deemed to be 'clearly trivial' were below the level of £537.

### Disclosures

We set out below specific matters that we consider should be brought to your attention.

#### Disclosures about judgements [FRS 102 8.6]

We are not aware of any specific matters that should be brought to your attention.

#### Disclosure of key sources of estimation uncertainty [FRS 102 8.7]

We are not aware of any specific matters that should be brought to your attention.

### Accounting policies

We have reviewed the entities accounting policies and believe they are appropriate and are being consistently applied.

### Significant difficulties encountered during the audit

During the course of the audit, we encountered no difficulties obtaining the necessary information we require.

This page lists the steps which still need to be taken in order to complete the audit along with an outline of the assistance we require from you in order to complete the work in a timely manner.

- Confirmation of no Post Balance Sheet Event's to date of sign off



Issue	Key points
<b>COVID-19: Summary of Government announcements</b>	<ul style="list-style-type: none"><li>• The team at BHP have pulled together a summary of the COVID 19 support measures that have been issued to date.</li><li>• Link to summary: <a href="https://bhp.co.uk/news-events/category/covid-19-updates/">https://bhp.co.uk/news-events/category/covid-19-updates/</a></li><li>• Whilst some of these will not be relevant to charities, this will act as an easy reference point to help you through this incredibly challenging time.</li></ul>
<b>COVID-19: BHP Charity update</b>	<ul style="list-style-type: none"><li>• Steps to consider to streamline your finances and maximise your cash position:<ul style="list-style-type: none"><li>• Consider how you can flex your fundraising strategy and maximise opportunities via the use of technology;</li><li>• Review insurance policies to determine whether any claims can be made;</li><li>• Review your costs and cut any non-essentials;</li><li>• Bring your Gift-Aid claims up to date – you can go back 4 years for Gift Aid and two years for the Gift Aid Small Donations Scheme;</li><li>• If you have any tax deducted from investment income this should be claimed via Charities Online (the same method used to claim Gift Aid);</li><li>• Check that you have claimed the employment allowance if you are eligible – you can go back four years;</li><li>• Consider claims for the Creative Industry Tax Reliefs if you operate in those sectors e.g. Theatre Tax Relief, Museum &amp; Galleries Tax Relief, Orchestra Relief. These can generate a cash repayment from HMRC.</li></ul></li><li>• Further details can be found at: <a href="https://bhp.co.uk/news-events/blog/covid-19-charity-update/">https://bhp.co.uk/news-events/blog/covid-19-charity-update/</a></li></ul>
<b>COVID-19: Funding updates</b>	<ul style="list-style-type: none"><li>• The directory of social change has put together a list of funding programmes that are available to help your charity. This list is updated as and when they receive updates.</li><li>• Click the link to view - <a href="https://bit.ly/2V9B9MI">https://bit.ly/2V9B9MI</a></li></ul>
<b>COVID-19: Charity Commission guidance</b>	<ul style="list-style-type: none"><li>• The Government have said that their “approach to regulation during this highly uncertain period will be as flexible and pragmatic as possible in the public interest, whilst helping trustees to be aware of and think about the wider or longer impact of their decisions on their charity.”</li><li>• Set out in the link below are the answers to some questions that the Charity Commission have been asked. The page will be updated on an ongoing basis.</li><li>• Click the link to view - <a href="https://bit.ly/2xNx09j">https://bit.ly/2xNx09j</a></li></ul>
<b>Coronavirus job retention scheme</b>	<ul style="list-style-type: none"><li>• Employers can claim 80% of ‘usual salary’ for hours not worked, up to a maximum of £2,500 per employee (pro-rated for hours not worked) per month</li><li>• In Budget 2021, the Chancellor has extended the scheme from April 21 to 30 September 2021</li><li>• The level of grant available to employers under the scheme will stay the same until 30 June 2021</li><li>• From 1 July the level of grant will be reduced but employers must continue to pay furloughed employees 80% of their wages up to a cap of £2,500 per month for the time they spend on furlough</li><li>• The reduction in the level of grant will result in the percentage recovery of furloughed wages to be as follows</li><li>• For July 21 70% of furloughed wages up to a maximum of £2,187.50</li><li>• For August and September 21 60% of furloughed wages up to a maximum of £1,875.00</li><li>• Employers will need to continue to fund employers NICs and mandatory minimum automatic enrolment pension contributions</li></ul>

Issue	Key points
<b>Implications of COVID-19: Charity SORP Committee</b>	<ul style="list-style-type: none"><li>• The Charities SORP Committee has issued guidance on the implications of COVID-19 on charity financial reporting.</li><li>• The guidance applies to all accounts that have not yet been approved. There are detailed considerations for the Trustees' Annual Report and other accounting related considerations.</li><li>• Click the link to view - <a href="https://bit.ly/2Xcj3MM">https://bit.ly/2Xcj3MM</a></li></ul>
<b>VAT deferral</b>	<ul style="list-style-type: none"><li>• Charities that deferred VAT payments falling due in the period 20 March – 30 June 2020 are reminded that they need to repay any outstanding sums to HMRC before 31 March 2021. Alternatively, charities may take advantage of HMRC's extended deferral scheme that allows an extension of time to repay the VAT deferred until 31 March 2022.</li><li>• The extended deferral scheme opened on 23 February 2021 and will close on 21 June 2021.</li><li>• Charities that sign up before 19 March can agree up to 11 instalments whilst the number of instalments available to those that sign up on 21 June is 8.</li><li>• Failure to take action could result in penalties</li></ul>
<b>COVID-19 concession for claiming Gift Aid on refunds to be made permanent</b>	<ul style="list-style-type: none"><li>• A temporary change to the Gift Aid rules was announced by HMRC in April 2020</li><li>• This concession has allowed charities to reclaim Gift Aid on refunds of tickets for events that were cancelled due to the pandemic, if the refunds were foregone by supporters</li><li>• It is a requirement that charities have an audit trail which shows proof that the individual wishes to donate the refund they are due</li><li>• HMRC confirmed in January 2021 that the change will become permanent in relation to any cancelled event or loan waiver, providing suitable evidence is obtained</li><li>• Further guidance is to be published</li></ul>
<b>Revisions to the Charity Governance Code</b>	<ul style="list-style-type: none"><li>• The Charity Governance Code is a tool to help charities and their trustees develop a high standard of governance</li><li>• Good governance is fundamental to a charity's success as it enables and supports a charity's compliance with the law and relevant regulations</li><li>• Charities are encouraged to visit the Code's website to view and download the new edition</li><li>• Visit their website here: <a href="https://www.charitygovernancecode.org/en">https://www.charitygovernancecode.org/en</a></li></ul>
<b>The Revitalising Trusts programme</b>	<ul style="list-style-type: none"><li>• The Charity Commission is working with the Department for Digital, Culture, Media and Sport (DCMS) and UK Community Foundation (UKCF) to help charities who find it hard to spend their income on the public benefit.</li><li>• Charity trustees can get help from the programme and are encouraged to discuss their charity's future if they have difficulties in recruiting new trustees, spending their income, identifying beneficiaries or finding time to run the charity.</li><li>• To make sure charity funds are spent on public benefit, a charity could transfer their assets to another charity, wind up the charity, or seek to change the charity's objects so that they can work more effectively.</li><li>• The programme also involves the Charity Commission proactively contacting charities it considers to be ineffective, inactive or dormant to encourage trustees to consider how they make best use of the charity's assets.</li><li>• The Charity Commission may consider a charity to be ineffective, inactive or dormant where it has not spent any money in the past 5 years or has spent less than 30% of its income in the past 5 years.</li><li>• Further details and guidance can be found at <a href="https://www.gov.uk/guidance/get-help-for-your-inactive-or-ineffective-charity">https://www.gov.uk/guidance/get-help-for-your-inactive-or-ineffective-charity</a></li></ul>

Issue	Key points
<b>Religious Charities exemption from registration</b>	<ul style="list-style-type: none"><li>• The deadline for church charities with an annual income of £100,000 or less to register with the Charity Commission, due to come to an end on 31 March 2021 has recently been extended by 10 years.</li><li>• Whilst excepted charities do not have to register with the Charity Commission they must still comply with charity law and their trustees have the same duties and responsibilities as the trustees of registered charities. The Charity Commission regulates excepted charities in the same way as registered charities and can use any of its powers if it needs to.</li><li>• A full list of exempt charities can be found here: <a href="https://www.gov.uk/government/publications/excepted-charities/excepted-charities--2">https://www.gov.uk/government/publications/excepted-charities/excepted-charities--2</a></li></ul>
<b>Applying for an extension to the Filing Deadline</b>	<ul style="list-style-type: none"><li>• Annual returns and accounts need to be filed within 10 months of the financial year end. The Charity Commission however understands that in light of the Covid-19 pandemic charities may be affected and some charities which are due to submit an annual return imminently may feel unable to do so.</li><li>• The Charity Commission wishes to be both flexible and supportive and urges any charity which feels unable to submit within the deadline to apply for an extension. Although the extension is not guaranteed the Charity Commission is taking a pragmatic view, taking account of the wider public interest during this unprecedented time.</li><li>• If your charity feels unable to meet its reporting deadline we urge you to apply for an extension. When applying include your charity's name, charity registration number and details of the circumstances leading to the need for the extension.</li><li>• Details should be emailed to the Charity Commission using: <a href="mailto:filingextension@charitycommission.gov.uk">filingextension@charitycommission.gov.uk</a></li></ul>
<b>Off payroll rules</b>	<ul style="list-style-type: none"><li>• The purpose of legislation is to charge tax and national insurance contributions on payments to workers who provide their services through a personal service company (PSC), if the worker would have been an employee if he or she had contracted directly with the end client.</li><li>• The changes to the rules are an extension to those previously introduced for the public sector and apply to medium and large businesses, including charities.</li><li>• From 6 April 2021, where these businesses are the end user (or client) and receive services in this manner, they will need to determine the tax status of people that they hire as contractors or workers. The business/client will need to provide each contractor with a Status Determination Statement and have a system in place to deal with disagreements.</li><li>• The considerations regarding whether an individual should be treated as an employee or a self-employed worker have not changed and HMRC's status tool can be found here: <a href="https://www.gov.uk/guidance/check-employment-status-for-tax">https://www.gov.uk/guidance/check-employment-status-for-tax</a></li></ul>
<b>New guidance for Trustees</b>	<ul style="list-style-type: none"><li>• The Charity Commission has released new guides covering five key aspects of charity management</li><li>• They refer to these guides as a 'core' syllabus covering the basics that they expect all trustees to be aware of</li><li>• The guides are named Financial Oversight, Achieving a Charity's Purposes, Good Decision Making, Addressing Conflicts of Interest and What to File with the Commission and what Support is Available</li><li>• The Commission stresses that whilst the guides may be basic, they are designed to serve the needs of experienced trustees as well as those new to the role.</li><li>• The guides can be found here: <a href="https://www.gov.uk/guidance/charity-commission-guidance#minute-guides-for-charity-trustees">https://www.gov.uk/guidance/charity-commission-guidance#minute-guides-for-charity-trustees</a></li></ul>

Issue	Key points
<b>Reporting of related party transactions in financial statements</b>	<ul style="list-style-type: none"><li>• The Charity Commission published a study in August 2019 that found less than two thirds of charities, with income less than £1 million, had fully disclosed related party transactions.</li><li>• Charities preparing accruals accounts must disclose trustees' remuneration and benefits, trustees' expenses and transactions with those persons and entities that are closely connected to the charity or its trustees, referred to as related parties. Disclosure of the fact that no related party transactions have occurred is required if this is the case.</li><li>• Public trust in charities depends on transparency and it is therefore important for good governance that trustees identify all related party transactions and handle conflicts of interest properly.</li></ul>
<b>Code of Fundraising Practice 2.0</b>	<ul style="list-style-type: none"><li>• The Code of Fundraising Practice sets the standards that apply to fundraising carried out by all charitable institutions and third party fundraisers in the UK. It replaces the previous code, rulebooks and legal appendices.</li><li>• The new code is effective from October 2019</li><li>• Further details and the Code can be found at: <a href="http://www.fundraisingregulator.org.uk/code">www.fundraisingregulator.org.uk/code</a></li></ul>
<b>Simple steps to protect your charity's funds</b>	<ul style="list-style-type: none"><li>• Recently, over 3,300 charities took part in a research study about fraud awareness, resilience and cyber security which highlighted charities are not doing the basics to protect themselves.</li><li>• The results of the survey can be found at <a href="https://www.gov.uk/government/publications/preventing-charity-fraud-insights-and-action">https://www.gov.uk/government/publications/preventing-charity-fraud-insights-and-action</a></li><li>• The Charity Commission highlights three simple steps which can protect your charity's funds:</li><li>• Introduce and enforce basic financial controls (e.g. at least two signatories to bank accounts and cheques)</li><li>• Make sure no one single individual has oversight or control of financial arrangements – effective segregation of duties is a crucial method of preventing and detecting fraud</li><li>• Encourage staff, volunteers and trustees to speak out when they see something they feel uncomfortable about.</li></ul>
<b>Alert for charities – cyber crime and how to report to the Charity Commission</b>	<ul style="list-style-type: none"><li>• Cyber crime has a number of definitions but will usually involve attacks on, or through, computer systems and networks. It often includes theft of data or disruption of systems to enable further crime.</li><li>• Dependant on the nature of these crimes, trustees, staff, volunteers and beneficiaries of charities may be adversely affected. Negative publicity could also impact on public trust and confidence in not only the charity affected, but the sector as a whole.</li><li>• The government Cyber Security Breaches Survey 2019 revealed that over two thirds of high income charities had recorded a cyber breach or attack in 2018. Of those charities affected, the vast majority (over 80%) had experienced a phishing attack, which are fraudulent emails.</li><li>• With the cost of a breach ranging from £300 to £100,000, charity managers cannot afford to ignore the growing threat posed by cyber crime, in all its forms.</li><li>• The good news is that advice and guidance is widely available to help you take the right steps to protect your charity.</li><li>• <a href="https://www.gov.uk/government/news/alert-for-charities-cyber-crime-and-how-to-report-to-the-charity-commission">https://www.gov.uk/government/news/alert-for-charities-cyber-crime-and-how-to-report-to-the-charity-commission</a></li></ul>

Issue	Key points
<b>Most large charities are unclear about the level of reserves they hold</b>	<ul style="list-style-type: none"><li>• Less than a quarter of larger charities accurately reported the level of financial reserves they hold in their trustees' annual report, according to a review by the Charity Commission.</li><li>• The Commission says its findings suggest an incomplete understanding of what reserves are, which could lead trustees to make poor decisions about their charity's finances.</li><li>• All registered charities must explain their policy on reserves in their trustees' annual report and should state the level of reserves held as well as why they are held.</li><li>• Almost all of a sample of 106 charities with an income over £500,000 included at least a reference to their reserves policy in their annual report. However, less than a quarter gave the right reserves figure, based on the information in their accounts. A third of charities failed to include a figure at all.</li></ul>
<b>Regulator finds quality and transparency in charity accounts has fallen</b>	<ul style="list-style-type: none"><li>• Just 52% of trustees' annual reports in the '<a href="#">Public Benefit reporting' review</a> met the public benefit reporting requirements. Although this is a 1% increase on last year, trustees are still falling short on the requirements to explain activities undertaken by the charity to further its purposes for the public benefit, and to provide a 'public benefit statement'.</li><li>• The reviewers looked for evidence of some reflection on the difference that the charity's activities had made. Positive examples of compliance included explaining why the trustees believed that the charity's activities provided public benefit; explaining who had benefitted from what the charity had done, whether a particular group of beneficiaries or the wider public; and explaining the impact of what the charity had done, such as examples of how the charity's services had led to improvements in people's lives.</li></ul>
<b>Charity regulator warns trustees to protect their charity from non-charitable interests</b>	<ul style="list-style-type: none"><li>• The regulator recognises that many charities work successfully in close partnership with a wide variety of non-charitable organisations, such as trading subsidiaries. These relationships can be crucial in helping a charity deliver on its mission for the public benefit.</li><li>• The new guidance aims to help charities reap the benefits of such relationships while managing the risks carefully.</li><li>• <a href="https://www.gov.uk/guidance/guidance-for-charities-with-a-connection-to-a-non-charity">https://www.gov.uk/guidance/guidance-for-charities-with-a-connection-to-a-non-charity</a></li></ul>
<b>Charity Commission guidance on safeguarding duties for charity Trustees</b>	<ul style="list-style-type: none"><li>• Impacts all charitable organisations</li><li>• Trustees' duty to report serious incidents, complaints or allegations to Charity Commission</li><li>• Policies and procedures for safeguarding must be put into practice and reviewed annually</li><li>• Guidance can be found at <a href="https://gov.uk/guidance/safeguarding-duties-for-charity-trustees">https://gov.uk/guidance/safeguarding-duties-for-charity-trustees</a></li></ul>

Issue	Key points
<b>Charity Commission rules on automatic disqualification</b>	<ul style="list-style-type: none"> <li>From 1 August 2018 the rules have changed</li> <li>People automatically barred from being a Trustee, CEO or Finance Director now include those with an unspent conviction for a money laundering, bribery or a terrorism related offence, people found to be in contempt of court and people with criminal records from sex offences.</li> <li>A full list of disqualifications can be found at <a href="http://www.gov.uk/guidance/automatic-disqualification-rules-for-charity-trustees-and-charity-senior-positions#the-new-automatic-disqualification-rules">www.gov.uk/guidance/automatic-disqualification-rules-for-charity-trustees-and-charity-senior-positions#the-new-automatic-disqualification-rules</a></li> </ul>
<b>Charity Ethical Principles – NCVO - Voluntary Code</b>	<ul style="list-style-type: none"> <li>Published on 18 January 2019, these principles aim to support charities, their governing bodies and those who work and volunteer in and with them in recognising and resolving ethical issues and conflicts</li> <li>Although voluntary, all charities will be encouraged to meet and use as a framework the key principles which are:</li> <li>Beneficiaries first <ul style="list-style-type: none"> <li>Integrity</li> <li>Openness</li> <li>Right to be safe</li> <li>A copy of the principles can be found at <a href="https://www.ncvo.org.uk//policy-and-research/ethics/ethical-principles">https://www.ncvo.org.uk//policy-and-research/ethics/ethical-principles</a></li> </ul> </li> </ul>
<b>Updated guidance on Serious Incident Reporting</b>	<ul style="list-style-type: none"> <li>Responsibility to report lies with the trustees</li> <li>The main categories of reportable incident are: <ul style="list-style-type: none"> <li>protecting people and safeguarding incidents – incidents that have resulted in or risk significant harm to beneficiaries and other people who come into contact with the charity through its work</li> <li>financial crimes – fraud, theft, cyber-crime and money laundering</li> <li>large donations from an unknown or unverifiable source, or suspicious financial activity using the charity's funds</li> <li>other significant financial loss</li> <li>links to terrorism or extremism, including 'proscribed' (or banned) organisations, individuals subject to an asset freeze, or kidnapping of staff</li> <li>other significant incidents, such as – insolvency, forced withdrawal of banking services without an alternative, significant data breaches/losses or incidents involving partners that materially affect the charity</li> </ul> </li> <li>Further guidance can be found here – <a href="https://www.gov.uk/guidance/how-to-report-a-serious-incident-in-your-charity">https://www.gov.uk/guidance/how-to-report-a-serious-incident-in-your-charity</a></li> </ul>

**ROYDS COMMUNITY ASSOCIATION (SUBSIDIARY) LIMITED**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**PAGES FOR FILING WITH REGISTRAR**

# ROYDS COMMUNITY ASSOCIATION (SUBSIDIARY) LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Current assets</b>					
Debtors	3	1		1	
		<u>1</u>		<u>1</u>	
<b>Net current assets</b>			1		1
			<u>1</u>		<u>1</u>
<b>Capital and reserves</b>					
Called up share capital	4		1		1
			<u>1</u>		<u>1</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2021 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

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

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

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

The financial statements were approved by the board of directors and authorised for issue on Dec 14, 2021 and are signed on its behalf by:

A N Curtis  
A N Curtis (Dec 14, 2021 13:34 GMT)

Adrian Curtis  
Director

Company Registration No. 04497758



# ROYDS COMMUNITY ASSOCIATION (SUBSIDIARY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021**

---

### **1 Accounting policies**

#### **Company information**

Royds Community Association (Subsidiary) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Royds Enterprise Park, Future Fields, Buttershaw, Bradford, West Yorkshire, BD6 3EW.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

#### **1.2 Going concern**

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

#### **1.3 Profit and loss account**

The company has not traded during the year or the preceding financial period. During this time, the company received no income and incurred no expenditure and therefore no Profit and loss account is presented in these financial statements.

#### **1.4 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and 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.

#### **1.5 Financial instruments**

The company 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 company's balance sheet when the company 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.

# ROYDS COMMUNITY ASSOCIATION (SUBSIDIARY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 1 Accounting policies

(Continued)

##### **Classification of financial liabilities**

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 company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 business 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.

#### 1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.7 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	-	-

#### 3 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Amounts owed by group undertakings	1	1

# ROYDS COMMUNITY ASSOCIATION (SUBSIDIARY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

---

### **4 Share capital**

	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary share of £1 each	1	1	1	1
	=====	=====	=====	=====

### **5 Ultimate controlling party**

The company is a subsidiary undertaking of Royds Community Association, a company registered in England and Wales.









# 2021 Royds Community Association Approval Accounts Documents

Final Audit Report

2021-12-14

Created:	2021-12-13
By:	Neil Baldwin (neil.baldwin@bhp.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAw9IGiKKcZv82-DCNhLHCqq6JFJjJS4y_

## "2021 Royds Community Association Approval Accounts Documents" History

-  Document created by Neil Baldwin (neil.baldwin@bhp.co.uk)  
2021-12-13 - 13:36:41 GMT- IP address: 81.23.52.242
-  Document emailed to A N Curtis (acurtis@groundwork.org.uk) for signature  
2021-12-13 - 13:39:00 GMT
-  Email viewed by A N Curtis (acurtis@groundwork.org.uk)  
2021-12-13 - 19:21:06 GMT- IP address: 77.102.152.147
-  Document e-signed by A N Curtis (acurtis@groundwork.org.uk)  
Signature Date: 2021-12-14 - 13:34:26 GMT - Time Source: server- IP address: 51.52.247.18
-  Document emailed to Lesley Kendrew (lesley.kendrew@bhp.co.uk) for signature  
2021-12-14 - 13:34:28 GMT
-  Email viewed by Lesley Kendrew (lesley.kendrew@bhp.co.uk)  
2021-12-14 - 13:38:12 GMT- IP address: 110.239.211.237
-  Document e-signed by Lesley Kendrew (lesley.kendrew@bhp.co.uk)  
Signature Date: 2021-12-14 - 13:38:48 GMT - Time Source: server- IP address: 81.23.52.242
-  Agreement completed.  
2021-12-14 - 13:38:48 GMT