

REGISTERED CHARITY NUMBER: 1102820

REGISTERED COMPANY NUMBER: 05046531

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
SOUTH HILL CENTRE**

SOUTH HILL CENTRE

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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SOUTH HILL CENTRE

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2022

Registered Charity number

1102820

Registered Company number

05046531

Principal address

Cemetery Hill
Hemel Hempstead
Hertfordshire
HP1 1JF

Directors

Mr R G Oakes (Chairman)
Mr B L Boggis
Mr A M Boswell (Died 6th December 2022)
Mr P J Mann
Mrs K S McKerrell (appointed 14th June 2023)
Mr S R Moh (appointed 20th April 2023)
Mr G D Wright

Independent Examiner

J Irvinesmith FCIE
Independent Examiners Ltd
Unit 2 The Broadbridge Business Centre
Delling Lane
Bosham
West Sussex
PO18 8NF

Solicitors

Pothecary Witham Weld
70 St George's Square
London
SW1V 3RD

Bankers

Santander UK PLC
PO Box 1125
Bradford
BD1 9PG

Accountants

Acuity Professional Ltd
Fifth Floor
11 Leadenhall Street
London
EC3V 1LP

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements of the Company for the year ended 31st December 2022.

Constitution and Governance

South Hill Centre is a charitable company limited by guarantee, incorporated on 17th February 2004 and registered as a Charity on 24th March 2004.

The Company is established under a Memorandum of Association incorporated on 17th February 2004 as amended by special resolution dated 18th November 2012 which sets out its objects and powers. It is governed under its Articles of Association. It was born out of South Hill Church (Hemel Hempstead), which is also a charitable company limited by guarantee.

The Directors have dual roles, the other being as Trustees of the Charity for the purpose of charity law. The Directors who have served during the period and up to the date of this report are:

B L Boggis

P J Mann

K S McKerrell (from 14th June 2023)

S R Moh (from 20th April 2023)

R G Oakes (Chair)

G D Wright

Sadly Sandy (A. M. Boswell), who has been a Director and Company Secretary since the company was set up, died on 6th December 2022. We have valued Sandy's contribution to our meetings and also his professional help with health and safety matters. We shall miss him.

We have appointed Sebastian Moh and Katherine McKerrell to the Board. Seb brings considerable charity experience and Kath significant education experience to the Board which will strengthen our skill base. Kath is also chair of Trustees for our sister charity, South Hill Church. Each Director has significant professional skills and recognises the importance of personal training. They have all attended appropriate training courses in the past and they are all expected to keep up to date with developments in Trustee and Director responsibilities. Training may be specialist in nature depending on the responsibilities the Director has. They are all committed to the aims and objectives of the charity. The Directors have purchased Trustee indemnity insurance.

Jeremy Keeley remains our full time Development and Operations manager and manages the Company very effectively under the guidance and direction of the Directors, who carry out some of the executive functions on a voluntary basis.

The Centre employs staff in Young Discoverers (YD), the pre-school run by the Company, other activities and to provide reception, housekeeping and administrative support to the Company. We are pleased to have confirmed the appointment of Theresa Cartwright as manager of Young Discoverers.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

OBJECTIVES AND ACTIVITIES

Aims and Objectives for the Public Benefit

The directors are aware of their responsibilities to promote activities for the public benefit. South Hill Centre exists to improve the conditions of life for those in the local community of Hemel Hempstead and the surrounding area. This is achieved by the provision of high quality childcare services alongside activities and services to the benefit of other members of the community from toddlers to senior citizens, as described below.

Our vision is 'To be all that God is calling us to be. To demonstrate His love through improving the quality of life for those in our community, building life-long relationships and demonstrating excellence in all we do.'

As a Christian based charity, the Centre's aims are to:

- Be a centre for social development and well-being
- Improve the quality of life and develop future generations of people in its community
- Improve social care, particularly for the less advantaged
- Help promote an active and socially integrated community
- Develop skills and employability within the local community
- Provide facilities and activities to give support to local agencies, businesses and other charities
- Be a positive link between the Church and local community

Main Objectives for 2022

The main objectives for 2022 and their achievement are set out in the table below:

OBJECTIVES	ACHIEVEMENTS
Develop our relationship with South Hill Church which is important to us and provides the motivation for many of the community activities which we organise through the Centre. In particular, to strengthen the relationship between YD and South Hill Church and other Centre activities, for both employees and users of the service. We shall continue to develop this "hand in glove" relationship.	This objective is one which we retain from year to year. It has been at the forefront of our minds since the Pandemic.
Explore with some of our partners further services we can offer to some of the most vulnerable in the community.	This has continued throughout the year and we have increased our support to those who are most vulnerable.
To rebuild those activities which have been hibernated during the Pandemic but which are still appropriate in the new circumstances we face.	We have recommenced our activities. Some of these continued to be held on-line but where face to face meeting was possible it is encouraged.
Ensure the continued viability of our Young Discoverers Pre-school (YD).	YD provides care for all categories of children within the appropriate age groups. Our new manager is now well established and is focussing on meeting the appropriate standards as required by Ofsted from a secure professional base
To generate hire income as those activities which are in line with our objectives wish to recommence.	We saw a significant increase in hiring opportunities later in the year and income from these together with significant grant income has resulted in a satisfactory financial result. We value the support of those who help fund our services.
Review the responsibilities of some of our senior staff with a view to possible further appointments to strengthen our administration.	This objective is being followed through satisfactorily.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Aims and Objectives for the Public Benefit (Continued)

2022 proved to be a year of good recovery for our other operations. The Centre continued to provide on-going services to the local community and bounced back strongly from the impact of the global COVID-19 pandemic. Following the pandemic services continued to operate both on-line as well as in person, although the latter was encouraged in order to build strong relationships and encourage the physical and mental wellbeing of those whom we support.

The Centre continued to deliver services to support the most vulnerable in the community. This included employment support through the STRIVE project, in partnership with Herts County Council and other County based providers. The project was part of the Building Better Opportunities Initiative funded by The Big Lottery with match funding from the European Social Fund and aimed to engage with those furthest away from the job market to encourage and support them towards employability addressing barriers they may face to getting there. This project came to an end at the end of 2022 but employability services continued through our 'Hemel Hempstead Employability and Wellbeing Hub'

The Centre continued to build on its excellent relationships with Job Centre Plus and many other private and charitable organisations who work locally to support the unemployed. Engagement with new and existing service users was through a regular twice weekly drop-in. Support offered included: CV writing, career development, addiction support, housing support; business awareness, confidence building, wellbeing support and a number of basic and more advanced IT/Maths/English courses. The Centre also provided support for those with physical disabilities and those with other significant barriers to employment (drug/alcohol abuse; mental health; homelessness; criminal record etc.). The Hub also incorporates the 'Dacorum Healthy Hub' and working with Dacorum Borough Council, promotes wellbeing through the services that this offers. It also provided a 'warm space', offering free food and refreshments to some of the hardest to reach over the winter period.

In 2022 the Centre commenced the 'Multiply' project, in partnership with Herts County Council and other County based providers. This project aims to improve numeracy and basic budgeting skills of those who have not attained appropriate maths qualifications in the past. The Centre utilised its Hub to promote the project and engage those relevant for the support being offered.

Young Discoverers (YD), our charity run pre-school which operates in the Early Years Centre (EYC) building, has remained open throughout the year, offering term time sessions and holiday clubs, subject to demand. The local Nursery made the decision not to utilise one of the YD playrooms as they had previously done. Staff and management have therefore increased capacity and extended their provision across the whole building to provide an excellent service. Its pre-school sessions and nursery class is spread over 5 days each week and take up continues to be high. In 2022 the Pre-School decided to close its extended care facilities for those children who attend YD, as the service was not well used and persisted in making a financial loss. YD maintains its Ofsted rating of "Good". Theresa Cartwright continues as Manager of YD and has focused on challenge faced, particularly staffing levels during this difficult year. She is responsible to the Directors for the effective running of the Pre-School.

Following a successful pilot in 2021, the Centre also commenced a new activity called 'SHC Gets Activity', supported by a grant from the Public Mental Health team at Hertfordshire County Council. This project worked in partnership with the local Sports Space (Everyone Active) to provide access to physical activities such as badminton, table tennis as well as offering group engagement activities, aimed at improving both physical and mental wellbeing of those attending. Between 20-35 individuals regularly attended these weekly sessions.

Squealers, our carers and toddlers group, which now provides 1 session per week to some 10-20 toddlers, continued to operate successfully; as did Table Talk Plus, a luncheon club, which meets on the first Thursday of each month with over 40 clients at each session.

During this period the Centre continued its work providing support for some of the most vulnerable women in the local area - particularly those impacted by the significant increase seen in Domestic Abuse. Several virtual support sessions and targeted online courses were held to support the ladies and help them move on in a positive direction with their lives. This work continued to be supported in Q1 2021 by funds from the Hertfordshire Police and Crime Commissioner (MOJ funding) and subsequently from the Batchworth Trust and several other local grant makers and donors.

In order to connect with some of the neediest people in the area, the Centre has continued as a distribution centre and voucher issuer for the DENS Dacorum Foodbank. This service offers parcels 5 days a week and saw a significant increase in demand in this financial year as the impact of the 'Cost of Living' crisis was felt.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Aims and Objectives for the Public Benefit (Continued)

The Centre continued to host the Hemel Morning Deaf Group and provided links with Herts Vision Loss and 'Talking Newspapers group' to support individuals impacted by these disabilities in the local area. Both of these attend the Centre on a regular basis.

In addition to the above, the local area saw an increase in demand for support for Refugees and Asylum Seekers. The Centre opened its doors to offering support and saw an influx of new needs. Specific support was offered to locally displaced Ukrainians, including hosting a traditional Christmas event. The Centre developed a new activity called 'SHC International' and reached out to all communities and saw several hundred come through the doors during the last quarter of 2022.

By the end of this period the Centre had seen a growth in the demand from other charitable and socially focussed organisations to hire Centre facilities. Hirers included: Step 2 Skills (formally HAFLS); Whizz-Kidz; Carers in Herts, NHS Wellbeing Teams, Dacorum Borough Council, Hertfordshire County Council, Playfeet Theatre Company, Rock Choir, Shaw Trust, London Show Choir, Hart Learning (part of North Herts College), Free 2 Learn amongst many others. Collectively they provided training, advice, activities and support to the local community and hosted many community wide events. All of these organisations, many of which operate in the third sector, were involved in running activities which meet some of the aims and charitable objectives of the Centre as outlined above.

The charity's facilities continued to be used by South Hill Church for weddings, funerals, Sunday services and other Christian activities. Over Christmas the charity ran its second successful Christmas Carol event, which saw members of a local choir sing outside the building to encourage the local neighbours to join in and receive some Christmas cheer.

The Directors are very grateful to the staff and volunteers who helped with all the activities which we have been able to provide during the year. Many of those who have served are members of South Hill Church who give freely of their time. We are pleased that volunteers from the local community also work with us. The Directors provide their time voluntarily.

Main Objectives for 2023

The main objectives for 2023 are to:

- Continue to develop our relationship with South Hill Church which is important to us and provides the motivation for many of the community activities which we organise through the Centre. In particular, to strengthen the relationship between YD and South Hill Church and other Centre activities, for both employees and users of the service. We shall continue to develop this "hand in glove" relationship.
- Explore with some of our partners further services we can offer to some of the most vulnerable in the community now that the Building Better Opportunities project has come to an end.
- Generate hire income from those activities which are in line with our objectives.
- Ensure the continued viability of our Young Discoverers Pre-school.
- Continue to review the responsibilities of some of our senior staff and trustees with a view to strengthening our administrative function.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

FINANCIAL REVIEW

The Centre has a brought forward surplus of £1,334,274 and the surplus of incoming resources for the year was £30,599. The remaining surplus balance of £1,364,873 will be carried forward to the next year. The total income for the year was £527,691 (2021:£472,175).

Young Discovers is self-funding by way of local authority grants, fees received and fundraising activities. Grants of £115,969 (2021: £132,695) and student fees of £28,294 (2021: £37,513) were received in the year.

The Directors acknowledge the generous giving by the Charity's supporters. Many of these are members of South Hill Church and during the year these supporters gave either directly (including Gift Aid where appropriate) or indirectly some £7,290 (2021: £10,139).

The total expenditure for the year was £497,092 (2021: £481,592) all of which was spent on charitable activities and governance costs.

At the year end, the Company had net assets of £1,364,873 (2021: £1,334,274) represented by unrestricted funds of £254,380 (2021:£263,915) and restricted funds of £1,110,493 (2021: £1,070,359). All grants received from the local authority to the pre-school are treated as restricted, but other income, mainly comprising fees paid by parents where grant is not receivable in respect of particular children, is unrestricted. The remainder of the unrestricted fund includes designated gifts and grants which the Centre has obtained.

The Centre has continued to pay off the mortgage from Kingdom Bank and it is encouraging to see a total repayment of £47,125 (Capital repayment of £26,447 and interest £20,678) during the period through the Centre's normal monthly payments.

The Directors are aware of the limits provided by the Financial Services Compensation Scheme and are seeking alternative secure deposit arrangements for some of the funds currently held by Santander.

The Directors would like to thank Aneena Kuku and her staff at Acuity Professional for their assistance in maintaining the accounting records during the year and the preparation of these financial statements. A number of other volunteers provide financial information for the activities with which they are involved, and our thanks are extended to these, and also Naomi Keeley our financial administrator.

Reserves policy and going concern

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The Directors recognise that it is best practice for charity operations to retain funds representing at least 3 months expenditure in the Company's bank accounts for contingency purposes. This is based on the charity's size and the level of its financial commitment. The Directors seek to manage this for both Young Discoverers and the charity's other activities and this has been achieved in the year. The Directors will ensure the charity is able to continue to fulfil its charitable obligations and will seek to maintain this level of reserves in 2023.

The Directors believe their future plans provide for a flow of funds which will maintain the financial viability of the Company. Monthly management accounts and cash flow projections are prepared and compared with the annual budget, which is regularly reviewed against actual figures. We are also seeking new sources of finance and new projects are not initiated until their financial requirements are forecast and assessed within the overall financial position of the Company.

The Directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, thus we continue to adopt the going concern basis in preparing the financial statements.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Risk management

The Directors are aware of their responsibility to properly manage and mitigate the risks faced by the Company. As such, Board representatives, the Operations Manager and the Young Discoverer's Manager review and update a schedule of the major governance, operational, financial, and external risks facing the Company at least annually. They identify the likelihood and potential impact of each risk along with preventative measures, adopted or planned, to mitigate these. The Board then considers the resultant schedule and its conclusions, endorsing a final register of risks which are reviewed throughout the year, along with emerging risks which might affect the Company; any financial implications are incorporated into the annual budget process.

The Board is satisfied that the major risks facing the Company have been identified and are being appropriately addressed. In particular, the Board considers that the key risks currently facing the Company are as follows.

- Maintaining income to support the activities undertaken, particularly in the post-COVID-19 environment. We look to diversify our sources of income, are prudent in the projects we take on, work with partner organisations where we deem this is effective, and keep a close eye on costs. In addition, we maintain funds representing at least 3 months expenditure in the Company's bank accounts, acknowledging that some of these funds may be required to cover necessary expenditure in the absence of previously anticipated income.

- Loss of key staff and high staff turnover. We aim to be an employer of choice. We recognise the importance of providing staff with a positive working environment, a living wage, and the flexibility to maintain an appropriate work-life balance. We also seek to balance the challenge of maintaining pay and benefits at an appropriate level, during a period where a number of our employees have had to be furloughed, with the ongoing viability of the organisation. We regularly benchmark salaries paid with industry norms. As such, we have a relatively stable staff population.

- Reputational damage leading to an inability to meet our aims and objectives. We undertake regular DBS checks for all staff and volunteers working with children and vulnerable people, have safeguarding officers and comprehensive child protection, equality and diversity, health and safety, food hygiene, fire risk, complaints, expenses and data protection policies in place. Specific training is given where appropriate to volunteers and employees to help mitigate risks. YD is monitored by Ofsted.

- Impact of Government policy on grant income payable to Young Discoverers, the tax regime the Company falls under, or on the use of volunteers. Although these aspects cannot be directly influenced by the Company, the Board regularly reviews the effectiveness of its strategic direction as well as monitors and seeks advice on changes, and potential changes, in Government policy.

The Board can confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to manage these risks.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company and Charity law require Directors to prepare a Directors' Report and the financial statements in accordance with applicable law and regulations.

The accounts for each financial year are required to give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that period.

In preparing these accounts, the Directors are required to

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

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

The Directors have overall responsibility for ensuring that the Company has appropriate systems of internal control across the entire organisation. The systems of internal control are designed to provide reasonable but not absolute assurance against material misstatement or loss.

Statement as to Disclosure of Information to the Independent Examiner

The Directors of the Company who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant information of which the Independent Examiner is unaware and each Director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant information and to establish that the Independent Examiner is aware of that information.

Related parties

The Company has no related parties, other than as disclosed in Note 7 to the Accounts, but has worked closely with many different agencies. In particular the Directors value the support of Hertfordshire County Council, Dacorum Borough Council and South Hill Church.

Declarations

The company has taken advantage of the small companies' exemption in preparing the report above.

Approved by order of the board of directors on 25/9/2023 and signed on its behalf by:



Mr P J Mann - Secretary

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SOUTH HILL CENTRE

I report to the trustees on my examination of the accounts of the South Hill Centre for the year ended 31st December 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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


Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Association of Charity Independent Examiner, which is one of the listed bodies.

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

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

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



J Irvin Smith

Fellow of the Association of Charity Independent Examiners

Independent Examiners Ltd
Unit 2 The Broadbridge Business Centre
Delling Lane
Bosham, West Sussex
UNITED KINGDOM
PO18 8NF

Date: 28th September 2023

SOUTH HILL CENTRE

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	96,929	261,354	358,283	323,543
Charitable activities	5				
Rental Income		135,883	-	135,883	66,623
Activity fees		28,295	-	28,295	38,073
Other trading activities	3	1,532	3,549-	5,081	43,371
Investment income	4	149	-	149	565
Total		262,788	264,903	527,691	472,175
EXPENDITURE ON					
Charitable activities	6				
Charitable Activities		204,100	292,992	497,092	481,592
NET INCOME/(EXPENDITURE)		58,688	(28,089)	30,599	(9,417)
Transfers between funds	17	(68,223)	68,223	-	-
Net movement in funds		(9,535)	40,134	30,599	(9,417)
RECONCILIATION OF FUNDS					
Total funds brought forward		263,915	1,070,359	1,334,274	1,343,691
TOTAL FUNDS CARRIED FORWARD		254,380	1,110,493	1,364,873	1,334,274

The notes form part of these financial statements

SOUTH HILL CENTRE

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2022

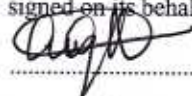
	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	10	16,145	1,608,375	1,624,520	1,654,609
CURRENT ASSETS					
Debtors	11	12,020	-	12,020	12,110
Cash at bank	12	268,109	11,201	279,310	280,617
		<u>280,129</u>	<u>11,201</u>	<u>291,330</u>	<u>292,727</u>
CREDITORS					
Amounts falling due within one year	13	(41,894)	(25,652)	(67,546)	(102,621)
NET CURRENT ASSETS		<u>238,235</u>	<u>(14,451)</u>	<u>223,784</u>	<u>190,106</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>254,380</u>	<u>1,593,924</u>	<u>1,848,304</u>	<u>1,844,715</u>
CREDITORS					
Amounts falling due after more than one year	14	-	(471,431)	(471,431)	(498,441)
PROVISIONS FOR LIABILITIES	16	-	(12,000)	(12,000)	(12,000)
NET ASSETS		<u>254,380</u>	<u>1,110,493</u>	<u>1,364,873</u>	<u>1,334,274</u>
FUNDS	17				
Unrestricted funds				254,380	263,915
Restricted funds				<u>1,110,493</u>	<u>1,070,359</u>
TOTAL FUNDS				<u>1,364,873</u>	<u>1,334,274</u>

For the financial year ended 31st December 2022, the company was entitled to exemption under 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of its accounts for the year ended 31st December 2022 in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 25/09/2023 and were

signed on its behalf by:



Mr G D Wright - Trustee

The notes form part of these financial statements

SOUTH HILL CENTRE

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>51,993</u>	<u>62,912</u>
Net cash provided by operating activities		<u>51,993</u>	<u>62,912</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(6,175)</u>	<u>-</u>
Net cash (used in)/provided by investing activities		<u>(6,175)</u>	<u>-</u>
Cash flows from financing activities			
Loan repayments in year		<u>(47,125)</u>	<u>(38,477)</u>
Net cash used in financing activities		<u>(47,125)</u>	<u>(38,477)</u>
Change in cash and cash equivalents in the reporting period		<u>(1,307)</u>	<u>24,435</u>
Cash and cash equivalents at the beginning of the reporting period		<u>280,617</u>	<u>256,182</u>
Cash and cash equivalents at the end of the reporting period		<u><u>279,310</u></u>	<u><u>280,617</u></u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	30,599	(9,417)
Adjustments for:		
Depreciation charges	36,264	37,713
Interest on loan	20,678	14,251
Decrease/(increase) in debtors	90	(10,239)
(Decrease)/increase in creditors	(35,638)	30,604
Net cash provided by operations	51,993	62,912

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank	280,617	(1,307)	279,310
	<u>280,617</u>	<u>(1,307)</u>	<u>279,310</u>
Debt			
Debts falling due within 1 year	(24,139)	(563)	(24,702)
Debts falling due after 1 year	(498,441)	27,010	(471,431)
	<u>(522,580)</u>	<u>26,447</u>	<u>(496,133)</u>
Total	(241,963)	25,140	(216,823)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Building Fund income received in 2006 from Hertfordshire County Council is treated as a grant in the charity's books, although in form it is prepaid rental for the use of part of the Early Years Centre by the Heath Lane Nursery. In the directors' opinion the substance of the receipt is that it is a grant which is not repayable in the foreseeable future.

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

Other rechargeable expenses represent the share of operating costs recovered from Heath Lane Nursery and other users of the charity's facilities.

Donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported in other expenditure.

If the charity has deferred income, it includes such income in the current year and shows the amounts released from deferred income in previous accounting periods separately.

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor of the terms of the appeal have specified otherwise.

The charity has received no donations in kind during the period.

Interest received is accounted for when received. Any tax recoverable relating to interest income is accounted for in the same period as the related income.

VOLUNTEERS

The value of volunteers' time is not included in the accounts but is described in the Directors' Report.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

The charity made no redundancy payments during the reporting period.

The charity has creditors which are measured at settlement amounts less any trade discounts.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES - continued

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	-	in accordance with estimated useful life of the property
Fixtures and fittings	-	20% on cost
Office equipment	-	20% on cost

TAXATION

The Company has been granted charitable status and is therefore not liable to corporation tax on income insofar as income is either not taxable under general principles or is specifically exempted by statute.

FUND ACCOUNTING

The Unrestricted Funds represent the unrestricted income which is expendable at the discretion of the directors in the furtherance of the objects of the charity. Such funds can be held in order to finance both working capital and capital resources. Designated Funds are set up where the directors consider it prudent to provide reserves for special purposes.

Restricted Funds are set up where donors specify the purposes for which their donations can be used and expenditure in respect of these purposes is specifically allocated to these funds.

RESERVES

The directors have considered the level of reserves they wish to retain, appropriate to the charity's needs and described this in the Directors' Report. This is based on the charity's size and the level of its financial commitments. The directors aim to ensure the charity will be able to continue to fulfil its charitable objectives even if there is a temporary shortfall in income or unexpected expenditure. The directors will endeavour not to set aside funds unnecessarily.

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Gifts	250	3,000
Donations	11,225	18,950
Other grants and income	344,539	299,620
Gift aid tax claim	2,269	1,973
	358,283	323,543

3. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Facility hire and rental income	-	88
Covid grant	-	20,570
Other income	2,428	22,541
Other rechargeable income	2,367	92
Fundraising activities	286	80
	5,081	43,371

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

4. INVESTMENT INCOME

	2022	2021
	£	£
Interest received	149	565
	<u> </u>	<u> </u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2022	2021
	£	£
Facility hire and rental income	120,883	53,623
Service charge	15,000	13,000
Fees paid	28,295	38,073
	<u> </u>	<u> </u>
	164,178	104,696
	<u> </u>	<u> </u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £
Charitable Activities	497,092
	<u> </u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no Directors' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

The aggregate value of donations received from Directors or parties related to the Director's during the year was £5,100 (2021 - £2,250)

Parties connected to various Directors are employed by the company and received remuneration for services rendered to the company, as authorised by Clause 5 (b) of the Memorandum of Association.

Those employed during the year and related to Directors are Brian Boggis's son-in-law, Jeremy Keeley (Centre Development and Operations Manager); his daughter, Naomi Keeley (Finance Assistant of South Hill Centre), his granddaughter Brodie Keeley (Caretaking Assistant); and his son-in-law Neil Harden (BBO Lite Learning Mentor).

They received the following emoluments and employers NI contributions:

	2022	2021
	£	£
Wages and salaries	83,718	79,026
Employers NI contributions	8,225	7,047
	<u> </u>	<u> </u>
	91,944	86,073
	<u> </u>	<u> </u>

Directors were reimbursed for out of pocket expenses incurred in connection with the running of the company. All such expenses are subject to the same internal controls as any other expenditure.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

8. STAFF COSTS

	2022 £	2021 £
Wages and salaries	272,581	283,090
Employers NI contributions	14,690	14,054
Pensions contributions	10,430	10,636
	<u>297,701</u>	<u>307,780</u>

No employees received emoluments in excess of £60,000.

The average monthly number of employees during the year was as follows:

2022 22	2021 23
------------	------------

The total amount paid to key management personnel (including trustees and senior management) for their services to the charity totalled £81,850 (2021 - £67,521).

9. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging	2022 £	2021 £
Depreciation	36,264	37,713
Independent Examiner's remuneration	<u>1,230</u>	<u>1,200</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Office equipment £	Totals £
Cost				
At 1 January 2022	1,995,586	101,769	18,872	2,116,227
Additions	-	4,225	1,950	6,175
	<u>1,995,586</u>	<u>105,994</u>	<u>20,822</u>	<u>2,122,402</u>
At 31 December 2022	1,995,586	105,994	20,822	2,122,402
Depreciation				
At 1 January 2022	361,033	85,783	14,802	461,618
Charge for year	26,178	8,267	1,819	36,264
	<u>387,211</u>	<u>94,050</u>	<u>16,621</u>	<u>497,882</u>
At 31 December 2022	387,211	94,050	16,621	497,882
Net book value				
At 31 December 2022	<u>1,608,375</u>	<u>11,944</u>	<u>4,201</u>	<u>1,624,520</u>
At 31 December 2021	<u>1,634,553</u>	<u>15,986</u>	<u>4,070</u>	<u>1,654,609</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	11,016	10,927
Other debtors	779	784
VAT	225	399
	<u>12,020</u>	<u>12,110</u>

12. CASH AT BANK

	General funds	Restricted funds	2022 Total funds	2021 Total funds
	£	£	£	£
Santander Current Account	138,552	11,201	149,753	151,210
Deposit Accounts	77,580	-	77,580	77,474
Santander Instant reserve	51,974	-	51,974	51,930
YD petty cash	3	-	3	3
Total	<u>268,109</u>	<u>11,201</u>	<u>279,310</u>	<u>280,617</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 15)	24,702	24,139
Trade creditors	3,158	1,401
Other creditors	1,357	1,369
Accruals and deferred income	37,304	74,712
Accrued expenses	1,025	1,000
	<u>67,546</u>	<u>102,621</u>

DEFERRED INCOME

	Amount
	£
Deferred income brought forward 01/01/22	74,712
Utilised in the year	(74,712)
Receipts in 2022, deferred to 2023	37,304
Deferred income held as at 31/12/22	37,304

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £	2021 £
Bank loans (see note 15)	<u>471,431</u>	<u>498,441</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year on demand:		
Bank loans	<u>24,702</u>	<u>24,139</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>24,702</u>	<u>24,728</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>74,108</u>	<u>79,111</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	372,621	394,602

16. PROVISIONS FOR LIABILITIES

	2022 £	2021 £
Redundancy pay provision	<u>12,000</u>	<u>12,000</u>

17. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General funds	263,915	58,688	(68,223)	254,380
Restricted funds				
Restricted funds	1,070,359	(28,089)	68,223	1,110,493
TOTAL FUNDS	<u>1,334,274</u>	<u>30,599</u>	<u>-</u>	<u>1,364,873</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General funds	262,788	(204,100)	58,688
Restricted funds			
Restricted funds	264,903	(292,992)	(28,089)
TOTAL FUNDS	<u>527,691</u>	<u>(497,092)</u>	<u>30,599</u>

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General funds	283,776	43,904	(63,765)	263,915
Restricted funds				
Restricted funds	1,059,915	(53,321)	63,765	1,070,359
TOTAL FUNDS	<u>1,343,691</u>	<u>(9,417)</u>	<u>-</u>	<u>1,334,274</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General funds	190,313	(146,409)	43,904
Restricted funds			
Restricted funds	281,862	(335,183)	(53,321)
TOTAL FUNDS	<u>472,175</u>	<u>(481,592)</u>	<u>(9,417)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

17. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General funds	283,776	102,592	(131,988)	254,380
Restricted funds				
Restricted funds	1,059,915	(81,410)	131,988	1,110,493
TOTAL FUNDS	<u>1,343,691</u>	<u>(21,182)</u>	<u>-</u>	<u>1,364,873</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General funds	453,101	(350,509)	102,592
Restricted funds			
Restricted funds	546,765	(628,175)	(81,410)
TOTAL FUNDS	<u>999,866</u>	<u>(978,684)</u>	<u>21,182</u>

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2022.

19. OTHER DISCLOSURE ISSUES

The charity does not have any commitments not provided for in the accounts.

The charity has not given any guarantees.

The charity has not received any loans secured on any of its assets other than disclosed in Note 14 & 15 above.

At the year end the charity did not have any contingent liabilities.

20. RISK ASSESSMENT

The Directors are aware of the need to properly manage and mitigate the risks faced by the company. Details of how the charity has achieved this are provided in the Directors' Report. The directors confirm that they have paid due regard to the Charity Commission guidance on risk assessment when adopting and implementing policies for the charity

21. PUBLIC BENEFIT

The charity acknowledges its requirements to demonstrate clearly that it must have charitable purposes or "aims" that are for the public benefit. Details of how the charity has achieved this are provided in the Directors' Report. The directors confirm that they have paid due regard to the Charity Commission guidance on public benefit before deciding what activities the charity should undertake.

22. DECLARATIONS

Sufficient resources are held in appropriate form to enable each fund to be applied in accordance with any restrictions imposed.

The trustees have not changed the year end date nor length of the charity's financial year.

The charity did not make any material ex-gratia payments during the year.

None of the charity's fixed assets have been revalued during the year.

SOUTH HILL CENTRE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Gifts	250	3,000
Donations	11,225	18,950
Other grants and income	344,539	299,620
Gift aid tax claim	2,269	1,973
	358,283	323,543
Other trading activities		
Facility hire and rental income	-	88
Covid grant	-	20,570
Other income	2,428	22,541
Other rechargeable income	2,367	92
Fundraising activities	286	80
	5,081	43,371
Investment income		
Interest received	149	565
Charitable activities		
Fees paid	28,295	38,073
Facility hire and rental income	120,883	53,623
Service charge	15,000	13,000
	164,178	104,696
Total incoming resources	527,691	472,175
EXPENDITURE		
Charitable activities		
Wages	287,271	297,144
Rent and rates	8,216	1,689
Insurance	7,398	6,753
Photocopier	1,390	1,081
Accountancy fees	8,959	8,748
Cleaning and maintenance	12,665	9,295
Staff costs and training	2,252	1,735
Operating costs	95,352	82,982
Utilities	9,508	7,341
Travelling	6	25
Computer expenses	2,382	3,450
Carried forward	435,399	420,243

This page does not form part of the statutory financial statements

SOUTH HILL CENTRE**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	£	£
Charitable activities		
Brought forward	435,399	420,243
YD- Service charge	15,000	13,000
Pension	10,429	10,636
Depreciation-freehold property	26,178	26,178
Depreciation-fixtures fittings	8,267	9,301
Depreciation-office equipment	1,819	2,234
	497,092	481,592
Total resources expended	497,092	481,592
Net income/(expenditure)	30,599	(9,417)

This page does not form part of the statutory financial statements