


# **LANGWORTHY CORNERSTONE ASSOCIATION LIMITED**

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

Registered Charity No. 1114637  
Company Registration No. 05626422



# **Langworthy Cornerstone Association**

# LANGWORTHY CORNERSTONE ASSOCIATION LIMITED

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## LANGWORTHY CORNERSTONE ASSOCIATION LIMITED

### Report of the Trustees for the year ended 31<sup>st</sup> March 2021

The Trustees present their Annual Directors' Report and financial statements of the Charity for the year ended 31<sup>st</sup> March 2021 which are also prepared to meet the requirements for a Directors' Report and Accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

#### Objectives and activities

The purposes of the Charity are the promotion and preservation of good health of persons in the areas of benefit; the promotion and advancement of education and training in general and in such a way as to reflect the personal, family, social and community needs of those living in the area of benefit, with due regard to equalities and diversities

<sup>1</sup>; The provision of activities and services to improve health & wellbeing through the delivery, development and facilitation of activities.

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Charity's aims and objectives, in planning future activities, and setting the policies for the year.

The Charity furthers its charitable purposes for the public benefit through our overall aim being to "Improve the Health and Wellbeing of the People of Salford and especially those of Seedley and Langworthy".

We work in partnership with a range of individuals and other organisations to provide as a centre a varied programme of classes, services and activities to improve health and wellbeing, education and employability, as well as attracting further resources to expand and improve our offer. We also support and help develop health & wellbeing activities in the centre which are initiated by individuals and organisations in consultation with us.

-We carry out regular research and collect feedback to ensure that there is a good match between what is on offer and what the needs of the area are.

- Services and activities are generally free or low cost. LCA centre users come from a wide range of backgrounds and age groups and we work to encourage the centre being accessed by all groups.

LCA has also been working in partnership with other organisations to develop more opportunities attracting young people and families from minority backgrounds including language classes, computer classes, lunch clubs, advice, arts & crafts and volunteering.

-All the activities and services outlined above deliver public benefit to the residents of Salford; and more specifically 75% of our participants are residents of Seedley and Langworthy, which is listed as one of the most deprived wards in Salford on the IMD (Indices of Multiple Deprivation) scale.

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<sup>1</sup>: This means that underpinning all LCA's service delivery and partnership working is awareness, respect and commitment towards the nine protected characteristics of the Equality Act 2010 (age, disability, gender reassignment, relationship status, pregnancy, race, religion/belief, sex and sexual orientation) as well as active engagement with localised issues of equality and diversity specific to the local communities we serve.

## Covid 19

Covid had a major impact on our activities meaning the cancellation of all group and face to face activities (except some clinical services), increased costs for safety equipment etc, and a major decrease in earned income. Thankfully, we received continued financial support from the NHS Clinical Commissioning Group who maintained our contract value, despite normal delivery being impossible. We were also successful in attracting grants and donations from a wide variety of sources, which largely replaced the loss of income.

### **Activities and services provided during the period included:**

At the beginning of the period, the first Covid Lockdown meant the suspension of most of our activities, with the charity rapidly reorganising to support people who were isolating, with a food delivery service, packed lunches for children, keep in touch service, online activities and remote working. The first week of the financial year was the first week of our Covid Offer, and it is a great tribute to staff, volunteers and the Board that we were able to make so many changes so quickly in such uncertain times.

By the end of the period, we had completed over 3,000 food parcels, shopping deliveries and packed lunches, kept in touch with around 600 households, with around 200 people participating in online activities including comedy shows, music, magic shows and quizzes. 13.7 tonnes of the food came from Fareshare; which would otherwise have gone to waste, saving 45 tonnes of Co2 from going into the atmosphere.

We are one of the five Community Anchors for Salford, which is a recognition of the work of the centre over many years; this includes the Social Prescribing Project as part of Salford Wellbeing Matters managed by the Salford Third Sector Consortium, which continued with remote provision during Covid.

As part of this project, we employ our own Community Connector, whose role is to connect people with local community activities and services to help improve their health & wellbeing. Referrals come from local GPs and other health professionals and the project aims to show reduced demand on local health services in the future.

Demand for the service greatly increased throughout the period, with increasing numbers of people suffering worsening mental health, isolation, anxiety and low mood.

Many of our face to face and group activities continued online, such as:

- Zumba, Yoga, Tai Chi, and Reiki Relaxation;
- Our Men's Health Project with some outdoor activities, health walks etc, as well as online History evenings and quizzes
- Smoking Cessation, Citizens Advice, general advice, Job search service as well as ongoing support for people wishing to gain experience through volunteering.
- Our Healthy Food Project which includes a Cafe switched to supporting the Covid Food and household goods offer, as well as providing take away breakfast and lunch packs. Foodcycle provided take away Vegetarian meals, again using produce that would otherwise go to waste.

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-The Cornerstone accommodates a GP Surgery, a Sure Start Children's Centre, and a range of Voluntary Organisations and Social Enterprises under one roof, which really adds value to the overall offer of LCA.

Covid meant that many of the services switched to remote delivery through home working, but continued to pay rent. Towards the end of the period, it became apparent that some would continue with an element of home working, meaning reduced income for LCA.

### **A review of our achievements and performance**

The main achievements during the year were:

We switched in less than two weeks from our usual group and face to face delivery to our Covid Offer as detailed above; inventing new systems and ways of working more or less on the hoof, and revising them as time passed.

We successfully delivered this offer over the whole year without any major issues, despite most of the staff and volunteers not doing their normal jobs, together with all the ongoing uncertainty as well as having some staff working remotely.

Despite worries about contagion through the centre, by maintaining social distancing, masks, sanitizers and screens, and thinking through the work we were doing carefully, not a single person picked up the virus at the centre or through our delivery service.

We maintained a Covid Diary throughout, which really captures some of the stories, feedback, activities and events that occurred, and the appreciation felt by Local People for the support provided.

<http://www.langworthycornerstone.co.uk/covid-diary.html>

We received quite a number of small donations, flowers and cards from local individuals and shops, which was greatly appreciated and a morale booster for LCA.

During the period we also gained recognition as a Living Wage Employer with the living Wage Foundation.

### **Financial review**

The Charity's financial projections were significantly affected by Covid, and also by developments in our relationship with the building's owners; NHS property Services (NHSPS).

Covid meant a major reduction in our traditional sources of earned income (Rent, Cafe, and Fees), however, we managed to largely replace this reduction through increased grants, furlough money, rates rebates and donations.

During the year we agreed with NHSPS a reduction in the proportion of the building that we pay rent and service charge on. LCA now pays rent and service charges on 58% of the building rather than 84%. The Children's Centre accommodation costs (26%) are now directly supported by Salford City Council.

During the year Salford Clinical Commissioning Group (CCG), maintained our contract value despite our inability to achieve our normal Key Performance Indicators due to Covid.

We are very grateful for the continued support of the Clinical Commissioning Group, but also concerned that another reorganisation of the NHS locally is nearing completion, with no prospect of a return to three year contracts any time soon.

Overall our accounts show a surplus in 2020-21. This follows a year in which we reported a loss in 2019-20.

We continue our negotiations to obtain a formal lease with NHSPS, and by the end of the period there were three outstanding issues with the Heads of Terms still to be finalised. We have retained funds in our accounts to cover the amounts billed by NHSPS that were queried by LCA in previous years.

### **Investment powers and policy**

To minimise the risk to our finances, we held three interest bearing deposit accounts during the period, one with CAF Bank (Shawbrook), one with Charity Bank and one with the Ecology Building Society, to maximise the cover provided by the Financial Services Compensation Scheme.

### **Reserves Policy, Development Funds and issues of ongoing concern**

The balance held in unrestricted reserves at 31<sup>st</sup> March 2021 was £128,597 of which £126,242 are free reserves after allowing for funds tied up in tangible fixed assets.

Trustees always consider the need for LCA to hold sufficient reserves to maintain the financial security of the organisation. The designated fund reserves are allocated as follows:

- Designated funds to allow for an orderly wind up of the organisation if necessary and to cover contractual obligations, especially redundancy costs.
- Designated funds to take account of our uncertain relationship with the building owners (NHSPS), our lack of a lease, and possible variations in our service charge, designated funds to cover any funding gaps and to allow time to source new finances, or slim down provision in a timely fashion.
- A further fund to help cover the ongoing reduction in earned income, and to help the organisation plan and develop new and revised services post Covid, possibly including a contribution towards the cost of converting some open plan office space into flexible self-contained offices and a large delivery space.

-The Reserves Policy and Development Fund decisions will be reviewed and updated annually by the Trustees in light of the (often) changing circumstances.

### **Risk management**

On an annual basis, the Trustees have conducted a review of the major risks and systems have been established to mitigate those risks, which include the above Reserves Policies and the ongoing (and documented) negotiation with the parties concerned to mitigate these risks.

### **Plans for Future Periods**

Our current Health & Wellbeing contract with Salford CCG expires in March 2022, and for this reason, the Trustees would like LCA to achieve a new three-year contract to a similar or increased

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value. Although this may not be possible in the short term due to the current re-organisation of the health service, we hope that this aim will eventually be achieved, given the outcomes we are achieving for local people, the local history of LCA as a community building, and our lengthy track record of delivery meaningful activities in the local area.

LCA still has no lease on the building, or even a management agreement with the NHSPS, however, by the end of the period, the negotiation was showing positive progress, including reductions in the charge and the promise of credits notes from NHSPS for 'outstanding amounts' from previous years, subject to a lease being agreed. If this can be achieved it will have the effect of returning our reserves to the healthy position they were in five years ago.

The Cornerstone has a large open plan office on the first floor, which in the past used to be a good income generator for the organisation, however more recently the space has become more difficult to let. This is partly due to Covid and increased home working, wear and tear, and a reduction in popularity of open plan office spaces. We are preparing plans to convert the space, hopefully with the support of a Landfill Tax Grant, into flexible self contained offices plus a large delivery space similar to our Auditorium, which is our most popular room, especially in the evenings. We regularly have to turn down bookings for the Auditorium, and are confident of achieving a good rate of usage for both the offices and new large room. The Offices themselves will be fitted out so that they can easily be used as either offices or delivery space dependant on demand, with removable partition walls for maximum flexibility.

Over the coming year we will continue to develop our services promoting health and wellbeing for groups and individuals in the local and surrounding areas, including plans for an outdoor project in partnership with Friends of Buile Hill Park.

The Trustees are aware of considerable changes to the makeup of the local area and we remain committed to welcoming residents of all ages and backgrounds and celebrating the increased diversity of the Seedley and Langworthy area.

### **Structure, Governance and Management**

Langworthy Cornerstone Association (LCA) is a company limited by guarantee governed by its Memorandum and Articles of Association dated 9<sup>th</sup> October 2012 (amended 6<sup>th</sup> June 2016). It is registered as a charity with the Charity Commission and is constituted under a trust deed dated 9<sup>th</sup> October 2012 (amended 6<sup>th</sup> June 2016).

We are recruiting a broader general membership to increase accountability and capitalise on the ongoing local support towards the centre.

### **Appointment of Trustees**

As set out in the Articles of Association trustees are elected annually by the members of the charitable company attending the Annual General meeting and serve for a period of 3 years.

### **Trustee induction and training**

New trustees will be familiar with the work of the charity. New trustees will receive/be directed to:

- The memorandum and articles; minutes of previous meetings; the last annual accounts (with advice on their content);

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- Charity Commission and Companies House advice and regulations and The Charity Commission pack for new trustees.
- New trustees will also be given one-to-one advice on particular aspects of LCA's work, depending on their knowledge and area of expertise.

### Organisation

The Board of Trustees administers the charity. The Board meets monthly (except in the one month of the year when a meeting is not held - usually January or August). A Chief Officer is appointed by the Trustees to manage the day-to-day operations and strategic directions of the Charity.

### Related parties and co-operation with other organisations

None of our Trustees receive remuneration or other benefit from their work with the Charity. Any connection between a Trustee or Senior Manager with any service providers must be disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

### Reference and administrative information

Charity Name: Langworthy Cornerstone Association

Charity Number: 1114637

Company Registration Number: 05626422

### Directors and trustees

The Directors of the charitable company (the Charity) are its Trustees for the purpose of Charity Law. The Trustees and Officers serving during the year and since the year end were as follows:

#### Key management personnel: Trustees and Directors

Geraldine Stone	Chair	
Sheila Battersby	Treasurer	
Ruth Abou Rached	Vice Chair	
Peter Shepherd		
Erica Kinniburgh		
Maureen Skillander		(resigned September 2020)
Doreen Burns		(appointed March 2021)
Dorothy Robinson		(appointed March 2021)
John Phillips		Company Secretary

### Chief Executive Officer

John Phillips

### Registered Office

Langworthy Cornerstone  
451 Liverpool Street  
Salford  
M6 5QQ

**LANGWORTHY CORNERSTONE ASSOCIATION LIMITED****Independent Examiners**

Community Accountancy Service Limited  
The Grange  
Pilgrim Drive  
Beswick  
Manchester  
M11 3TQ

**Bankers**

Co-operative Bank plc  
1 Balloon Street  
Manchester  
M60 4EP

Ecology Building Society  
7 Belton Road  
Silsden  
Keighley  
BD20 0EE

Charity Bank  
Fosse House  
182 High Street  
Tonbridge  
TN9 1BE

Shawbrook Bank Limited/CAF  
Lutea House  
Warley Hill Business Park  
The Drive  
Great Warley  
Brentwood  
CM13 3BE

**Solicitors**

Weightmans LLP  
100 Old Hall Street,  
Liverpool, L3 9QJ

**LANGWORTHY CORNERSTONE ASSOCIATION LIMITED****Trustees' responsibilities in relation to the financial statements**

The Charity Trustees (who are also the Directors of Langworthy Cornerstone Association for the purposes of Company Law) are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

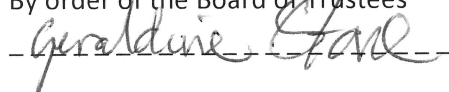
Company law requires the Charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the Trustees are required to:

- Select suitable accounting principles and then apply them consistently;
- Observe the methods and principles in the applicable Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is appropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that 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 Companies Act 2006.

They are also responsible for safeguarding the assets of the Charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board of Trustees



Geraldine Stone  
Chair

Date: 4<sup>th</sup> November 2021

## **Independent examiner's report to the trustees of LANGWORTHY CORNERSTONE ASSOCIATION LIMITED**

I report on the accounts of the company for the year ended 31<sup>st</sup> March 2021, which are set out on pages 10 to 20.

### **Respective responsibilities of trustees and examiner**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity is required by company law to prepare accrued accounts and I am qualified to undertake the examination by being a qualified member of The Association of Chartered Certified Accountants.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act ;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

### **Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements
  - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006, ; and
  - with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

AM King FCCA

*A.M. King*

Community Accountancy Service Ltd

The Grange, Pilgrim Drive, Beswick, Manchester, M11 3TQ

Date: 4<sup>th</sup> November 2021

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED**  
**31 MARCH 2021**

		Unrestricted Funds £	Restricted Funds £	Total Funds Year Ended 31 March 2021 £	Total Funds Year Ended 31 March 2020 £
Income from:	Further Details				
Donations and legacies	(3)	10	-	10	1,922
Charitable Activities	(4)	482,455	120,718	603,173	525,437
Other Trading Activities	(5)	859	-	859	21,079
Investment Income		1,840	-	1,840	1,670
<b>Total</b>		<b>485,164</b>	<b>120,718</b>	<b>605,882</b>	<b>550,108</b>
<b>Expenditure on:</b>					
Raising Funds	(6)	15,291	-	15,291	14,215
Charitable Activities	(6)	373,844	108,668	482,512	589,373
Other	(6)	499	-	499	318
<b>Total</b>		<b>389,634</b>	<b>108,668</b>	<b>498,302</b>	<b>603,906</b>
<b>Net income/(expenditure)</b>		<b>95,530</b>	<b>12,050</b>	<b>107,580</b>	<b>(53,798)</b>
Transfers between funds	(16)	-	-	-	-
<b>Net movement in funds</b>		<b>95,530</b>	<b>12,050</b>	<b>107,580</b>	<b>(53,798)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward	(16)	133,067	9,674	142,741	196,539
<b>Total funds carried forward</b>	<b>(16)</b>	<b>228,597</b>	<b>21,724</b>	<b>250,321</b>	<b>142,741</b>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 13 to 20 form part of these accounts.

**BALANCE SHEET AS AT 31 MARCH 2021****Company Registration Number: 05626422**


	Notes	2021 £	2020 £
<b>Fixed assets:</b>			
Tangible assets	(11)	2,355	2,199
Total fixed assets		<u>2,355</u>	<u>2,199</u>
<b>Current assets:</b>			
Stocks	(12)	1,800	1,800
Debtors	(13)	19,518	18,871
Cash at Bank & in Hand		416,988	313,512
Total current assets		<u>438,306</u>	<u>334,183</u>
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	(14)	190,340	193,641
Net current assets or liabilities		<u>247,966</u>	<u>140,542</u>
Total assets less current liabilities		250,321	142,741
<b>Total net assets or liabilities</b>		<u><u>250,321</u></u>	<u><u>142,741</u></u>
<b>The funds of the charity:</b>			
Restricted income funds	(16)	21,724	9,674
Unrestricted income funds	(16)	228,597	133,067
<b>Total charity funds</b>		<u><u>250,321</u></u>	<u><u>142,741</u></u>

For the period in question the company was entitled to the exemption conferred by section 477 of the Companies Act 2006, and that no notice has been deposited under section 476 in relation to its accounts for the financial year; and the directors acknowledge their responsibilities for:

- complying with the requirements of the Companies Act 2006 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.

Approved by the trustees on 4th November 2021

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Sheila Battersby

Treasurer

The notes on pages 13 to 20 form part of these accounts.

## Statement of Cash Flows for the year ending 31 March 2021

	Year Ended 31 March 2021 £	Year Ended 31 March 2020 £
<b>Net cash used in operating activities</b>	103,014	34,734
<b>Cash flows from investment activities:</b>		
Interest	1,840	1,670
Purchase of fixed assets	(1,378)	(1,769)
<b>Net cash provided by investing activities</b>	<u>462</u>	<u>(99)</u>
 Increase/(decrease) in cash and cash equivalents during the year	 103,476	 34,635
 Cash and cash equivalents brought forward	 313,512	 278,877
<b>Cash and cash equivalents carried forward</b>	<u><b>416,988</b></u>	<u><b>313,512</b></u>

## Notes to the accounts

**1. Accounting policies****(a) Basis of preparation and assessment of going concern**

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

**(b) Funds structure**

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. There are 15 restricted funds.

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Further details of each fund are disclosed in note 16.

**(c) Income recognition**

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

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

**(d) Expenditure Recognition**

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 settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

**(e) Irrecoverable VAT**

Irrecoverable VAT is charged against an irrecoverable VAT expenditure heading.

**(f) Allocation of support and governance costs**

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to independent examination and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on type of expense. The allocation of support and governance costs is analysed in note 8.

**(g) Costs of raising funds**

The costs of raising funds consists of activity costs, café food and advertising and marketing.

**(h) Charitable Activities**

Costs of charitable activities include governance costs and an apportionment of support costs as shown in note 7.

**(i) Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised and valued at historical cost. Depreciation is charged on the following basis:

Computers	33.33% on cost
Office Equipment	25% on cost

**(j) Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their varying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**(k) Pensions**

The charity currently administers contributions to a pension scheme on behalf of individuals. The charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

**(l) Debtors**

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

**(m) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**2. Related party transactions and trustees' expenses and remuneration**

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2020: £nil). Expenses paid to the trustees in the year totalled £nil (2020: £nil).

**3. Donations and Legacies**

	Unrestricted Year Ended 31 March 2021 £	Restricted Year Ended 31 March 2021 £	Total Funds Year Ended 31 March 2021 £	Total Funds Year Ended 31 March 2020 £
Sundry Income	10	-	10	1,922
	10	-	10	1,922
Previous reporting period	1,922	-	1,922	

**4. Income from charitable activities**

	Unrestricted Year Ended 31 March 2021 £	Restricted Year Ended 31 March 2021 £	Total Funds Year Ended 31 March 2021 £	Total Funds Year Ended 31 March 2020 £
Room and Facilities Rental	63,147	-	63,147	128,297
Activities Income	1,905	-	1,905	873
Class Fees	420	-	420	3,639
General grants:				
NHS Salford	346,983	-	346,983	346,983
Salford 3rd Sector Consortium	45,000	-	45,000	39,317
Restricted grants:				
GMCVO	-	-	-	950
Neighbourly Community Fund	-	400	400	-
Peter Kershaw Trust	-	1,000	1,000	-
Greggs Foundation	-	500	500	-
HMRC CVJRS	-	30,524	30,524	-
Big Lottery Fund	-	56,850	56,850	-
Salford CVS Holiday Fund	-	-	-	3,343
Salford CVS Neighbourhood Leadership	-	300	300	-
Salford CVS Food Response Fund	-	6,000	6,000	-
Salford CVS Living Wage	-	144	144	-
Salford CVS Ambition for Ageing	-	-	-	502
Salford Food Share Network	-	1,500	1,500	631
Salford CVS Live Well	-	900	900	-
Salford CVS Covid	-	18,500	18,500	-
Salford CVS Crisis Fund	-	500	500	502
Salford City Council Covid	25,000	-	25,000	-
Forever Manchester	-	3,600	3,600	400
	<u>482,455</u>	<u>120,718</u>	<u>603,173</u>	<u>525,437</u>
Previous reporting period	<u>519,109</u>	<u>6,328</u>	<u>525,437</u>	

**5. Income from other trading activities**

	Unrestricted Year Ended 31 March 2021 £	Restricted Year Ended 31 March 2021 £	Total Funds Year Ended 31 March 2021 £	Total Funds Year Ended 31 March 2020 £
Café Income	859	-	859	20,714
Fundraising Events	-	-	-	365
	<u>859</u>	<u>-</u>	<u>859</u>	<u>21,079</u>
Previous reporting period	<u>21,079</u>	<u>-</u>	<u>21,079</u>	

**6. Expenditure**

	Community Centre Activities £	Year Ended 31 March 2021 £	Year Ended 31 March 2020 £
<b>Expenditure on raising funds:</b>			
Café Food	14,524	14,524	13,449
Advertising and marketing	-	-	104
Subscriptions	767	767	662
	<u>15,291</u>	<u>15,291</u>	<u>14,215</u>
<b>Expenditure on charitable activities:</b>			
Employment Costs	245,551	245,551	250,242
Training	404	404	848
Activities	14,583	14,583	26,368
DBS Checks	-	-	100
NHS Recharges	138,386	138,386	228,516
Water		-	7,101
Travel Expenses	511	511	638
Repairs and Maintenance	848	848	2,086
Bad Debts	3,098	3,098	(1,645)
Minor Equipment and Rental	5,238	5,238	2,299
Rates & Water	6,369	6,369	7,132
Software and IT	1,460	1,460	2,403
Irrecoverable VAT	9,285	9,285	6,256
Telephone	796	796	1,525
Cleaning and Security	46,900	46,900	44,478
Insurance	2,143	2,143	2,169
Governance Costs	5,162	5,162	4,905
Post, Printing & Stationery	556	556	2,329
Depreciation	1,222	1,222	1,623
	<u>482,512</u>	<u>482,512</u>	<u>589,373</u>
<b>Other expenditure:</b>			
Miscellaneous	499	499	318
	<u>499</u>	<u>499</u>	<u>318</u>
	<u>498,302</u>	<u>498,302</u>	<u>603,906</u>
Restricted funds		108,668	4,876
Unrestricted funds		<u>389,634</u>	<u>599,030</u>
		<u>498,302</u>	<u>603,906</u>

## 7. Analysis of expenditure on charitable activities

As per note 6.

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## 8. Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown below:

	General Support	Governance	Total	Basis of apportionment
Accountancy Fees	-	1,100	1,100	type of expense
Payroll Bureau Charges	543	-	543	type of expense
Support & advice	1,980	-	1,980	type of expense
Accountancy Support	1,539	-	1,539	type of expense
	<u>4,062</u>	<u>1,100</u>	<u>5,162</u>	

## 9. Analysis of staff costs

	Year Ended 31 March 2021 £	Year Ended 31 March 2020 £
Wages and Salaries	218,990	221,126
Agency Costs	-	1,513
Redundancy	-	-
Social Security Costs	11,975	13,020
Pension Costs	14,586	14,583
	<u>245,551</u>	<u>250,242</u>
Charitable activities	245,551	250,242
Support costs	-	-
	<u>245,551</u>	<u>250,242</u>

The average number of employees during the year was 12 (previous year: 12).

The charity considers its key management personnel comprises the trustees and Chief Executive Officer. The total employment benefits, including employer pension contributions of the key management personnel were £42,773 (previous year: £41,670), No employee has benefits in excess of £60,000 (previous year: none).

## 10. Independent Examiner Fees

	Year Ended 31 March 2021 £	Year Ended 31 March 2020 £
Independent examination fees	1,100	1,050
Other Accountancy services	1,539	984
	<u>2,639</u>	<u>2,034</u>

**11. Tangible Fixed Assets**

	Computers	Furniture & Office Equipment	Total
Cost	£	£	£
At 1 April 2020	11,042	34,926	45,968
Additions	-	1,378	1,378
At 31 March 2021	11,042	36,304	47,346
<b>Depreciation</b>			
At 1 April 2020	11,042	32,727	43,769
Charge for Year	-	1,222	1,222
At 31 March 2021	11,042	33,949	44,991
<b>NET BOOK VALUE</b>			
At 31 March 2021	-	2,355	2,355
At 31 March 2020	-	2,199	2,199

**12. Stocks**

	2021	2020
	£	£
Café Food Stocks	1,800	1,800

**13. Analysis of debtors**

	2021	2020
	£	£
Debtors	16,320	15,851
Prepayments	3,198	3,020
	19,518	18,871

Debtors and prepayments related to unrestricted funds both in 2021 and 2020.

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

	2021	2020
	£	£
Creditors	178,040	191,534
Short-term compensated absences (holiday pay)	-	-
Other creditors and accruals	1,050	1,641
Deferred income	11,250	466
	190,340	193,641

**15. Deferred income**

Deferred income comprises grants received in advance.

Balance as at 1 April 2020	466
Amount released to income earned from charitable activities	(466)
Amount deferred in year	11,250
Balance at 31 March 2021	11,250

## 16. Analysis of charitable funds

## Analysis of movements in unrestricted funds

	Balance at 1 April 2020	Incoming Resources	Resources Expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£
General Fund	33,067	485,164	(389,634)	-	128,597
Designated Fund	100,000	-	-	-	100,000
	133,067	485,164	(389,634)	-	228,597

## Previous reporting period

	Balance at 1 April 2019	Incoming Resources	Resources Expended	Transfers	Balance at 31 March 2020
	£	£	£	£	£
General Fund	52,317	543,780	(599,030)	36,000	33,067
Designated Fund	136,000	-	-	(36,000)	100,000
	188,317	543,780	(599,030)	-	133,067

## Name of unrestricted fund:

General Fund

Designated Fund

## Description, nature and purpose of the fund

The "free reserves" after allowing for all designated funds

For future closure costs, redundancy provision and contractual obligations

## Analysis of movements in restricted funds

	Balance at 1 April 2020	Incoming Resources	Resources Expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£
NHS Salford	8,222	-	-	-	8,222
GMCVO	950	-	(950)	-	-
Neighbourly Community Fund	-	400	(400)	-	-
Peter Kershaw Trust	-	1,000	(1,000)	-	-
Greggs Foundation	-	500	(500)	-	-
HMRC CVJRS	-	30,524	(30,524)	-	-
Big Lottery Fund	-	56,850	(56,850)	-	-
Salford CVS Neighbourhood Leadership	-	300	(300)	-	-
Salford CVS Food Response Fund	-	6,000	(6,000)	-	-
Salford CVS Living Wage	-	144	(144)	-	-
Salford Food Share Network	-	1,500	(1,500)	-	-
Salford CVS Live Well	-	900	(900)	-	-
Salford CVS Covid	-	18,500	(5,500)	-	13,000
Salford CVS Crisis Fund	502	500	(500)	-	502
Forever Manchester	-	3,600	(3,600)	-	-
	9,674	120,718	(108,668)	-	21,724

## Previous reporting period

	Balance at 1 April 2019	Incoming Resources	Resources Expended	Transfers	Balance at 31 March 2020
	£	£	£	£	£
NHS Salford	8,222	-	-	-	8,222
GMCVO	-	950	-	-	950
Salford CVS Holiday Fund	-	3,343	(3,343)	-	-
Salford CVS Ambition for Ageing	-	502	(502)	-	-
Salford Food Share Network	-	631	(631)	-	-
Salford CVS Crisis Fund	-	502	-	-	502
Forever Manchester	-	400	(400)	-	-
	8,222	6,328	(4,876)	-	9,674

Name of restricted fund:	Description, nature and purpose of the fund
NHS Salford	for stamp duty and legal fees
GMCVO	for Men's Healthy Walks Project
Neighbourly Community Fund	for Men's activities
Peter Kershaw Trust	for Kelly's residential
Greggs Foundation	for Men's project activity
HMRC CVJRS	for salary furlough costs
Big Lottery Fund	to cover Covid costs, loss of income and Food Project
Salford CVS Neighbourhood Leadership	for meetings costs
Salford CVS Food Response Fund	for food costs and loss of income
Salford CVS Living Wage	to pay fees for living wage accreditation
Salford Food Share Network	for food costs and loss of income
Salford CVS Live Well	for food costs and loss of income
Salford CVS Covid	for food costs and loss of income
Salford CVS Crisis Fund	for food costs and loss of income
Forever Manchester	for food parcels and Men's activities

#### 17. Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total 2021
	£	£	£	£
Tangible fixed assets	2,355	-	-	2,355
Cash at bank and in hand	295,264	100,000	21,724	416,988
Other net current assets/(liabilities)	(169,022)	-	-	(169,022)
<b>Total</b>	<b>128,597</b>	<b>100,000</b>	<b>21,724</b>	<b>250,321</b>

#### Previous reporting period

	Unrestricted funds	Designated funds	Restricted funds	Total 2020
	£	£	£	£
Tangible fixed assets	2,199	-	-	2,199
Cash at bank and in hand	203,838	100,000	9,674	313,512
Other net current assets/(liabilities)	(172,970)	-	-	(172,970)
<b>Total</b>	<b>33,067</b>	<b>100,000</b>	<b>9,674</b>	<b>142,741</b>

#### 18. Financial Instruments

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

#### 19. Reconciliation of net movement in funds to net cash flow from operating activities

	Year Ended 31 March 2021	Year Ended 31 March 2020
	£	£
Net movement in funds	107,580	(53,798)
Add back depreciation	1,222	1,623
Deduct investment income	(1,840)	(1,670)
Decrease/(increase) in stocks	-	(100)
Decrease/(increase) in debtors	(647)	3,678
Increase/(decrease) in creditors	(3,301)	85,001
<b>Net cash used in operating activities</b>	<b>103,014</b>	<b>34,734</b>

## Income and Expenditure Account

	Year Ended 31 March 2021 £	Year Ended 31 March 2020 £
<b>Income</b>		
Sundry Income	10	1,922
Investment Income	1,840	1,670
General grants:		
NHS Salford	346,983	346,983
Salford 3rd Sector Consortium	45,000	39,317
Room and Facilities Rental	63,147	128,297
Activities Income	1,905	873
Class Fees	420	3,639
Restricted grants:		
GMCVO	-	950
Neighbourly Community Fund	400	-
Peter Kershaw Trust	1,000	-
Greggs Foundation	500	-
HMRC CVJRS	30,524	-
Big Lottery Fund	56,850	-
Salford CVS Holiday Fund	-	3,343
Salford CVS Neighbourhood Leadership	300	-
Salford CVS Food Response Fund	6,000	-
Salford CVS Living Wage	144	-
Salford CVS Ambition for Ageing	-	502
Salford Food Share Network	1,500	631
Salford CVS Live Well	900	-
Salford CVS Covid	18,500	-
Salford CVS Crisis Fund	500	502
Salford City Council Covid	25,000	-
Forever Manchester	3,600	400
Café Income	859	20,714
Fundraising Events	-	365
<b>Total Income</b>	<b>605,882</b>	<b>550,108</b>
<b>Expenditure</b>		
Activities	14,583	26,368
Café Food	14,524	13,449
Advertising and marketing	-	104
Subscriptions	767	662
Employment Costs	245,551	250,242
Training	404	848
DBS Checks	-	100
NHS Recharges	138,386	228,516
Water	-	7,101
Travel Expenses	511	638
Repairs and Maintenance	848	2,086
Bad Debts	3,098	(1,645)
Minor Equipment and Rental	5,238	2,299
Rates & Water	6,369	7,132
Software and IT	1,460	2,403
Irrecoverable VAT	9,285	6,256
Telephone	796	1,525
Cleaning and Security	46,900	44,478
Insurance	2,143	2,169
Governance Costs	5,162	4,905
Post, Printing & Stationery	556	2,329
Depreciation	1,222	1,623
Miscellaneous	499	318
<b>Total Expenditure</b>	<b>498,302</b>	<b>603,906</b>
<b>Surplus/(deficit for year)</b>	<b>107,580</b>	<b>(53,798)</b>