

Arena Community
Registered Charity Limited
By Guarantee

REPORT AND
FINANCIAL STATEMENTS

for the Year Ended 31 March 2021

Charity Number 1115569
Company Number 5116407

Arena Community
Registered Charity Limited by Guarantee

Report of the Trustees for the year ended 31 March 2021

Chair's Report

The Trustees Report regarding the work of the Arena Community covers probably the most challenging year for all of us in living memory, due to the global pandemic that affected the normal rhythms of all of our lives so fundamentally. This impacted the retail aspect of the charity hugely because of lockdowns. I am, though, as Chair of the charity, pleased and indeed proud to report that much of the vital work of helping people with needs, which became more acute for some, continued unabated throughout the year. The response of both staff and volunteers was truly heroic, particularly from our Ilkeston and Mansfield sites and the impact on people more profound than we can ever imagine. As you will note in the conclusion to the report there is much yet to aspire to. We continually remind ourselves as Trustees that whilst we ever want to be carefully committed to the processes of the charity, it is ultimately with always the passion to help people. Onwards!

Our Purposes

Objectives and Activities

The charity's objectives and principal activities are to develop the capacity and skills of the members of the socially and economically disadvantaged communities in Derbyshire and Nottinghamshire, in such a way that they are better able to identify and meet their needs and to participate more fully in society.

Public Benefit

The food bank now operates on Tuesday and Thursday at our Community Hub on Belfield Street. It gives out food parcels with sufficient food to cover five days' worth of meals. There is also a furniture store operating where people can purchase second hand furniture at affordable prices or, where necessary, clients will be given furniture to help them. With the growing awareness of food poverty, we are getting more donations from local businesses and organisations.

We continue to work closely with Arena Church (charity no 1052643) but we actively seek the support of other local agencies, charities, businesses, schools and councils in order to sustain and increase the impact of the foodbank operation.

Related Party

Arena Community is a charitable company set up to support the work of its trading company known as Anera Enterprises Ltd, of which it owns the whole of the share capital.

Arena Community also has links with Arena Church whose members and trustees support the work of the charity by way of donation and help.

Achievements and Performance

COMMUNITY PURPOSE

A paper was submitted to the board of trustees, and subsequently passed, giving a breakdown of the four focus areas for Arena Community and a purpose statement.

The purpose statement - to restore broken lives because everybody is somebody at Arena.

The four focus areas:-

- To feed and provide resource for the disadvantaged
- To provide quality housing
- To train, educate and rehabilitate
- To make the community liveable again

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Report of the Trustees for the year ended 31 March 2021 (Continued)

COMMUNITY HUB

Foodbank

It has been another busy year at The Hub. We have continued to support people via the foodbank. Due to COVID-19 we have had to be flexible with how we run the foodbank. When we went into lockdown we felt the need to open up for food parcels every day of the week. This helped us to spread out the amount of people that we were serving across the week and also enabled us to follow social distancing guidelines. We changed the amount of food that clients received in a parcel, previously there would be enough food in a parcel for three days – we increased this to include enough food for five days.

In January 2021 we decided to return to running the foodbank two days a week. More of the team had returned and it seemed like an appropriate time to make the change. Since April last year we have given out 858 parcels and have had 100 new clients added to our database.

Maintenance/Building Changes

This year we spent a considerable amount of time cleaning and redecorating the building. It had been a while since the Hub had been painted to a high standard and it was decided that lockdown was the ideal time to refresh everything. Lisa and a few members of the team spent time clearing out the warehouse, painting the building, clearing out the garden and performing other maintenance tasks. We are very happy with how the building looks and feels. It represents Arena a lot better. The team is also keeping on top of the maintenance of the building and ensuring it stays at a high standard.

Collection/Delivery Service

We continue to operate our collection and delivery service and have started selling items from the Hub using Ebay & Facebook Marketplace. We have also made changes to the delivery team. We now feel that we have an efficient, reliable team in place. During lockdown we made an extra effort to sell on Ebay & Facebook. Since the shops reopened we have been very intentional in trying to sell furniture and reduce the stock that had built up in the warehouse. We have also started selling from the warehouse again in an attempt to boost income.

Christmas 2020

We felt the need to change our approach in terms of community initiatives that we run over Christmas, due to COVID-19 and the lockdown. Some of the things we introduced were:

Christmas gifts for Social Services

Lisa contacted Social Services and asked them if they had any families with neglected children that we would be able to provide gifts for. Once a child had been referred the request was passed to a member of the community that had expressed an interest in providing gifts. Each gift bag included a selection of toys and a £25 gift voucher. We also provided a Christmas hamper and Christmas dinner boxes for each family. In total we provided gifts for 15 children. This is something that we plan to do again in December 2021.

Christmas Dinner Boxes

This year we wanted to be able to provide dinners for families that were unable to afford them. We decided that we would put together all the components needed for a Christmas dinner and pass them out to families. We asked the local schools and Social Services to refer families that would benefit from these boxes. We asked local business owners to help with providing the items for the boxes such as potatoes, gravy, vegetables and puddings. In total we provided 100 Christmas dinner boxes across the Arena.

Christmas Hampers

This year we also provided Christmas Hampers that included a variety of Christmas food items that our clients could enjoy over the Christmas period. In total we provided 160 hampers across all sites.

Toy Giveaway

We would usually hold a toy giveaway at the Hub near Christmas but this year we decided to run things a bit differently. We contacted the agencies that would usually bring parents to the giveaway and instead asked them to distribute toys to their clients. We were supported by St Wilfrid's Church, West Hallam and the West Hallam WI who organised collections for us. In total we provided 150 presents.

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Report of the Trustees for the year ended 31 March 2021 (Continued)

Warehouse Sale

This year instead of holding pop up shops we decided to open the Hub for a warehouse sale during the summer. We aimed to sell some of the furniture, excess clothing and bric-a-brac along with surplus items that had been donated whilst people were in lockdown. During this day we took £375.90.

House Renovation

In December 2020 we were made aware of a need by a couple in our campus. They were struggling with some personal issues and we wanted to help the best way we could. One of the areas that they needed help with was cleaning and decorating their house. We sent a team from the Hub to go and clean, paint, wallpaper and refurbish the house. We were also able to help provide new carpets for them. The couple were very grateful and appreciative of our help.

SUPPORTED LIVING ACCOMMODATION

The portfolio of properties has remained consistent with our last report and still consists of five houses and one flat. The number of bedrooms varies according to need, but currently we have seven rooms for male occupants and five rooms for female occupants in the houses and the flat is suitable for either male or female, but is currently occupied by a male.

Like everyone, we have had a very difficult year, this has affected the team and also the tenants. Debbie Hill, the Supported Living Manager, led from the front and continued to work through lockdown, ensuring the tenants' needs were met and supporting them in every way possible, helping them to progress and achieve their individual aims and ambitions, overcoming any addictions and helping them to develop the necessary skills required to get back into work and move into their own place.

Unfortunately, Debbie had a serious health issue in August 2020 and as a result has now left the team. We owe much to her for the way she led and for her commitment throughout the lockdown period. Her enthusiasm and passion for the work will be greatly missed.

Whilst working with our tenants, we have helped them register with all local agencies including doctors and dentists and accompany them to various meetings such as the local Job Centre or probation and encourage them to make contact with their appropriate agency key workers. Under normal circumstances several of our tenants would be volunteering at various projects, and attending further education courses, but due to the covid lockdowns this was not possible. We are, however, continuing to offer advice and guidance in many areas including finance and budgeting, shopping and cooking, personal hygiene and overall cleanliness of their rooms and houses.

It is important that we continue to assess our effectiveness and the tenants progress and this is done on a regular basis via support plans and regular review meetings.

Overall, as previously stated, it has been a very difficult year. The lockdown caused several of our tenants to change their behaviour and as a result there were six evictions carried out. This is not something we have taken lightly and prior to eviction we look at all alternatives with eviction being the last resort.

This happened in both our male and female houses.

Looking at our overall progress throughout the year:

Male Tenants:

At the start of the financial year we had seven male tenants and we ended the period with six whilst this has varied throughout the year due to various circumstances..

Highlights of the year were:

- One man has now progressed further and has moved from our next steps flat and is now living in his own rented bungalow in the locality. We do keep in regular contact to ensure the transition from supported to stand alone goes as smoothly as possible.
- One of our younger tenants has moved into our next steps flat and we are working with him on budgeting and general welfare.

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Report of the Trustees for the year ended 31 March 2021 (Continued)

Female Tenants:

We started and ended the year with five tenants. Again this has varied throughout the year due to various circumstances.

- One of our ladies has completed several further education courses and has grown in self-confidence which is an area she needs help in.

This year has proved to be very challenging but despite the problems, we do feel progress has been made. We are in a stronger position going forward, we have formed a closer relationship with various agencies and the prisons to ensure that if we have any voids, these can be filled quickly.

We continue to work with those who are battling with addictions, trying to assist them wherever we can and encourage them to fight to free themselves and get their lives back.

Our ethos remains the same, we firmly believe everyone deserves the chance to change and although we cannot always guarantee great progress, we do guarantee we will continue to work alongside every single person we can, giving them every opportunity to free themselves of all addictions and move forward.

MANSFIELD

Work continued on the maintenance at Leeming Street. Work had to be undertaken on the roof to fix the leaks. Also the front of the building was painted.

Care for a Coffee reopened in September following the Covid lockdown and remained open thereafter. Numbers were restricted but it was great to reestablish contact with many after so long. Lesley and Rebecca were the backbone to running Care for a Coffee as Louise had to follow various shielding notices.

Arena Mansfield received a grant for helping the community with food during Covid. In July an email to MDC started the ball rolling for a Food Club in Mansfield.

September saw the establishment of a new team of eight for the Food Club and Christmas meal provision aiming to provide 30 full Christmas meals which would include a fresh chicken.

December was a very busy month. Dunelm ran an initiative for local businesses to get involved with a shoe box appeal. Arena was nominated through Crossfit 17 gym whose customers supplied 30 shoe box gifts for children, women and men. Our Community Hub had a surplus of tubs of chocolates and so the team was able to make contact with King's Mill Chaplaincy team, who then distributed 100 tubs to staff in back offices and cleaners who are usually not appreciated for the work they do. The teaching and support staff at Flying High Academy on Ladybrook estate, Mansfield also received 50 tubs of chocolates. A total of 40 Christmas meals and 25 'treats hampers' were supplied to the community, including to 20 families from the school. MDC/Family Action also donated some of the food the team distributed. On Christmas Eve the team delivered 30 Christmas meals to homes in Mansfield.

Building works commenced in January in the food club room, with the aim to open for Easter.

RETAIL OPERATIONS

All three shops closed on 21st March 2020 in accordance with Government guidelines for Covid 19. Open Door and Arena Hope were able to reopen on 18 June but it was decided to test the water and to trade just for three days in light of the restrictions that were in place. The shops continued to trade until 24th December when lockdown controls were enforced until mid April 2021.

During the second lockdown Arena Hope was totally refurbished. The downstairs was decorated and a new carpet was fitted. The layout of the shop was also changed and fixtures and fittings were moved around, a couple of mannequins were purchased, which gave the shop a fresh, modern and clean look and it lost the 'charity shop' look which it originally had. Sales were significantly higher once the shop reopened and there has been increased footfall, together with very positive feedback.

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Report of the Trustees for the year ended 31 March 2021 (Continued)

The Project and Workshop Cafe reopened on 9 July for three days following the lifting of Covid restrictions for the hospitality industry but sales were low and it was decided to close the shop on 15 August. During this next period of closure, the shop floor was refurbished. The walls were repainted, as well as the tables and chairs in the cafe area; the clothing rails were taken off the shop floor and different styles of display were introduced which changed the totally appearance of the retail area. It had more of a boutique look rather than a charity shop. Mannequins were purchased to display clothes which were located both in the shop window and shop floor. The shop then closed on 31 October as sales were still low. It eventually reopened following the second lockdown on 20 May 2021.

During the lockdown period, people moved to purchasing non essential items from the internet whilst shops were closed. The Project benefited from this and therefore saw sales increase whilst shops were close to trade.

Whilst businesses were closed, the government introduced the Job Retention Scheme whereby staff were furloughed from work but paid up to 80% of their wages whilst the shops were closed. Unfortunately during this period two members of the team at The Project were made redundant

Financial Review

The attached financial statements show the current state of the finances. The company had net incoming resources during the year of £409,035. The company's revenue general fund balance is a balance of £(22,305) at 31 March 2021 ((£86,457) at 31 March 2020). There is a loan outstanding to Arena Church of £20,000.

The Board of Trustees consider the current state of the company's finances to be sound.

Reserves Policy

It is the policy of the trustees to build up and maintain unrestricted reserves of £10,000. This has not happened during the financial year, but we are taking steps to address this.

The aim is to have 2-3 months running costs available and the team are working towards putting firmer budgets in place, identify any areas where we can increase income realistically and also restrict non-essential spending in order that this 'pot' can be built up.

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Report of the Trustees for the year ended 31 March 2021 (Continued)

Plans for the Future

To invest in funding manpower whilst there are more grants and funding opportunities available due to the impact of Covid 19

To source funding for the refurbishment of the upstairs at the Project

To focus on social media to promote the Project and Arena Hope

To move all aspects of the clothing operation from the Hub to the Project

To set up a community clothing drive and look into the viability of buying in clothes to ensure a constant supply of suitable clothing for sale

To regularly review retail performance at all three shops with the view to increasing trading days and sales through different initiatives - increasing the clothing space at The Project and putting more furniture into Arena Hope.

To increase community initiatives in all four locations - Ilkeston, Mansfield, Belper and Nottingham - through for example schools and Social Services

To obtain a food hygiene certificate for Leeming Street on completion of the building work for the food club, which will also enable us to apply for funding

To provide Christmas bags once again for children who are in hardship or neglect via the Social Services

Similar to the Christmas bags, to provide schoolwear for children in hardship or neglect via the Social Services to coincide for back to school in September

To keep voids to a minimum and fill as quickly as possible with the appropriate clients

Arena Community
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Report of the Trustees for the Year Ended 31 March 2021 - Continued

Reference and Administrative Information

CHARITY NAME:	Arena Community	
TRUSTEES OF THE CHARITY WHO ALSO SIT ON THE BOARD OF GOVERNORS AND ARE DIRECTORS OF THE COMPANY:	A Simpson P Pye R Gonouya L Harrison C Stockdale R Tye	
SECRETARY:	A Simpson	
REGISTERED OFFICE:	22-26 Nottingham Road Stapleford Nottingham NG9 8AA	
OPERATIONAL ADDRESS:	1 Rutland Street, Ilkeston, Derbyshire DE7 8DG	
CHARITY SHOP ADDRESSES:	Hope Charity Shop 22-24 Market Place Ilkeston Derbyshire DE7 5QA	Open Door Charity and Coffee Shop 6 Ladybrook Place Mansfield Nottinghamshire NG18 5JP
COMMUNITY BUILDING	Community Hub Unit 1, Belfield Street Ilkeston Derbyshire DE7 8DU	
REGISTERED COMPANY NUMBER:	5116407(England & Wales)	
REGISTERED CHARITY NUMBER:	1115569	
INDEPENDENT EXAMINER:	Diane Lockwood – FCA, FCCA, ATT (Fellow) Haines Watts Cliffe Hill House 22-26 Nottingham Road Stapleford Nottingham NG9 8AA	
BANKERS:	Nat West Plc Ilkeston Branch 42 Bath Street Ilkeston Derbyshire DE7 8HF	
SOLICITORS:	Mr Ben Bourne Ellis Fermor and Negus 2 Devonshire Avenue Beeston Nottingham NG9 1BS	

**Arena Community
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Report of the Trustees for the Year Ended 31 March 2021 - Continued

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, not having a share capital and having obtained exemption under Section 60 of the Companies Act 2006 to dispense with the word limited as part of the company name. The company was incorporated on 29 April 2004 and registered as a charity on 25 July 2006.

The company was established under a Memorandum of Association, which established the objectives and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Change of Name

On 25 November 2009 the Arena in Ilkeston changed its name to Arena Community.

Recruitment and Appointment of Management Committee

The directors of the company are also charity trustees for the purposes of Charity Law and under the company's Articles are known as members of the management committee. Under the requirements of the Memorandum and Articles of Association, the members of the management committee are elected to serve for a period of two years, after which they must be re-elected at the next Annual General Meeting.

Trustee Training

The trustees have served for a considerable period of time not only with this charity but are also involved with other charities as directors and trustees and are familiar with the practical work of this charity and their responsibilities as trustees.

Risk Management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Organisational Structure

Arena Community has a board of six trustees. They meet on a regular basis to review current issues and at these meetings decisions concerning the running of the charity are made. A full record of all meetings is kept.

Governance

The Memorandum of Articles were amended this year to enable the remuneration of trustees - namely Ann Simpson and Lisa Harrison.

**Arena Community
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Report of the Trustees for the Year Ended 31 March 2021 - Continued

Responsibilities of the Trustees

Company Law requires the management committee to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the Balance Sheet date and of its incoming resources and application of resources, including income and expenditure for the financial year. In preparing those financial statements, the management committee should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed; subject to any material departure disclosed and explained in the Financial Statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

The management committee is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The management committee is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

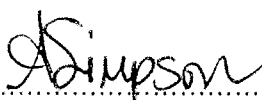
Members of the Board of Trustees

Members of the management committee, who are directors for the purpose of Company Law and trustees for the purpose of Charity Law, who served during the year and up to the date of this report are set out on page 7.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2021 was six (31 March 2020 - six).

This report has been prepared in accordance with the Statement of Recommended Practice : Accounting and Reporting by Charities and in accordance with the Special Provisions of Part 15 of the Companies Act 2006 relating to small entities.

On behalf of the Board of Trustees

Signature..........(A Simpson) Dated.....8-12-21.....

Trustee and Director of the Company

**Arena Community
Registered Charity Limited by Guarantee**

Independent Examiner's report to the Trustees of Arena Community

I report on the charity trustees on my examination of the accounts of the company for the year ended 31 March 2021.

Responsibilities and Basis of Report

As the charity's trustees of the Company (and also its directors for the purpose 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 the Institute of Chartered Accountants in England and Wales, 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:-

- 1) Accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- 2) The accounts do not accord with those records; or
- 3) The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirements that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4) 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 (FRS102)).

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.

D. J. Lockwood
D J Lockwood FCA, FCCA ATT (Fellow)
Chartered Accountant

Dated 16.12.2021

Haines Watts
Cliffe Hill House
22-26 Nottingham Road
Stapleford
Nottingham
NG9 8AA

**Arena Community
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Statement of Financial Activities (Including Income and Expenditure Account)

for the Year Ended 31 March 2021

		Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021	Unrestricted Funds 2020	Restricted Funds 2020	Total Funds 2020
Notes		£	£	£	£	£	£
INCOME							
Income from							
Charitable Activities	2	275,896	28,732	304,628	219,771	100	219,871
Donations and Legacies	2	38,717	-	38,717	22,206	-	22,206
Other	2	31,886	-	31,886	49,375	-	49,375
JRS – Furlough Grants		33,804	-	33,804	-	-	-
TOTAL INCOMING RESOURCES		380,303	28,732	409,035	291,352	100	291,452
EXPENDITURE							
Fundraising Costs		1,714	-	1,714	1,327	-	1,327
Charitable Activities	3	314,437	38,519	352,956	361,986	9,887	371,873
TOTAL RESOURCES EXPENDED		316,151	38,519	354,670	363,313	9,887	373,200
NET INCOME / (EXPENDITURE) FOR THE FINANCIAL YEAR		64,152	(9,787)	54,365	(71,961)	(9,787)	(81,748)
TRANSFER BETWEEN FUNDS	15	-	-	-	-	-	-
RECONCILIATION OF FUNDS							
TOTAL FUNDS BROUGHT FORWARD		(86,457)	59,457	(27,000)	(14,496)	69,244	54,748
TOTAL FUNDS CARRIED FORWARD	15	(22,305)	49,670	27,365	(86,457)	59,457	27,000

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

**Arena Community
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Balance Sheet as at 31 March 2021

	Notes	31 March 2021 £	31 March 2020 £
FIXED ASSETS:			
Tangible Assets	4	350,791	363,563
CURRENT ASSETS:			
Debtors and prepayments	18	24,028	24,022
Cash at Bank and in Hand		56,510	4,476
Investment in Subsidiaries	12	2	2
Intercompany Account – The Project Ilkeston Ltd		<u>72,303</u>	<u>63,919</u>
		152,843	92,419
CREDITORS: Amounts falling due within one year			
Sundry Creditors	19	16,654	28,991
Kingdom Bank Mortgage	4	13,984	13,984
Intercompany Account - Anera Enterprises Limited		25,188	24,987
- Arena Church	10	182,312	172,758
Loan - Arena Church		20,000	20,000
Individual Loans		<u>56,770</u>	<u>56,770</u>
		<u>314,908</u>	<u>317,490</u>
NET CURRENT ASSETS/(LIABILITIES):		(162,065)	(225,071)
LOAN – repayable after 12 months			
Kingdom Bank Mortgage	4	<u>(161,361)</u>	<u>(165,492)</u>
NET ASSETS		£ <u>27,365</u>	£ <u>(27,000)</u>
THE FUNDS OF THE CHARITY			
Unrestricted	15	(22,305)	(86,457)
Restricted		<u>49,670</u>	<u>59,457</u>
TOTAL CHARITY FUNDS		£ <u>27,365</u>	£ <u>(27,000)</u>

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ending 31 March 2021.

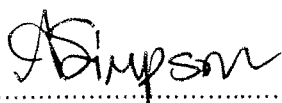
No notice has been deposited under Section 476 of the Companies Act 2006 in relation to its financial statements for the financial year.

The Directors acknowledge their responsibilities for:

- ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far applicable to the Company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



Trustee and Director – A Simpson

Approved by the Directors who are the Trustees of the Charity on 8.12.21

Arena Community
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Notes to the Financial Statements for the Year Ended 31 March 2021

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

a) Basis of Preparation

The financial statements have been prepared in accordance with 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 (FRS102) (effective 1st January 2019) – (Charities SORP (FRS102)), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Arena Community meets the definition of a public benefit entity under FRS102.

Going Concern

The Trustees continue to make changes to save costs. Amongst other ways of considering this the Trustees are working towards reducing the loan amount. The Charity continues to streamline costs as much as possible by working with volunteers who carry a passion to serve their local community.

The accounts are presented in sterling (£).

b) Incoming Resources

Represents charity shop sales, donations specifically for the Foodbank Project, Mansfield and Community Projects and Gift Aid reclaims. All donations and sales are included in full in the Statement of Financial Activities when receivable. The value of services by volunteers has not been included in these accounts or the value of items gifted for resale at the charity shop.

Donations of food are made by both church members and local businesses for the “foodbank” project. It is not possible to quantify or value these gifts.

Any known incoming resources yet to be received relating to the period before the year end date are included as debtors.

The stock held in the charity shop, furniture restoring and also clothing for re-sale is not valued for stock purposes at the year end date but is recognised at point of sale.

Donated Services and Facilities

Donated services or facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt

The notes form part of these financial statements

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Notes to the Financial Statements for the Year Ended 31 March 2021 – Continued

c) Resources Expended

Expenditure is recognised on an accruals basis as a liability is incurred.

Expenditure includes VAT, which is not recoverable.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource.
- Liabilities recognised as due at the year end date but at that point not paid are included as creditors.

d) Interest Receivable

Interest is included when receivable by the Charity.

e) Fixed Assets

These are applied if they have a life expectancy exceeding one year. They are valued at cost, or if gifted at the value to the charity on receipt. Depreciation is provided at the following rates in order to write off each asset over its useful life:-

Land and Buildings (Leeming Street) -not provided
Plant and Office Equipment – 20% reducing balance
Fixtures and Fittings – 20% reducing balance
Motor Vehicle – 25% of cost
Property Improvements– 10 years on cost

No depreciation is charged on land and buildings as the residual value is believed to be higher than historical cost.

Fund Accounting

Unrestricted Funds

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

Designated Funds

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

Restricted Funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets this criteria is charged to the fund together with a fair allocation of management and support costs.

Legal Status of the Trust

The Trust is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

The notes form part of these financial statements

**Arena Community
Registered Charity Limited by Guarantee**

Notes to the Financial Statements for the Year Ended 31 March 2021 – Continued

Pensions

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. Contributions payable for the year are shown in the Statement of Financial Activities.

Debtors

Debtors are recognised at the settlement amount owed to the Charity or prepaid.

Creditors

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.

Financial Instruments

The Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value

Taxation

The Charity is exempt from tax on its charitable activities as they further the Charity's aims and, as such, are considered to be charitable activity only.

Judgement and Key Sources of Estimation Uncertainty

The preparation of accounts using generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period.

The key estimates and assumptions used in the Financial Statements are detailed in the accounting policies.

The notes form part of these financial statements

Arena Community
Registered Charity Limited by Guarantee

Notes to the Financial Statements for the Year Ended 31 March 2021 – Continued

2. Income

		Unrestricted £	Restricted £	2021 £	2020 £
Income from Charitable Activities					
Operation of Community Projects					
	- Shop Sales	26,135	-	26,135	87,379
	- Donated Goods/ Furniture Sales	2,349	-	2,349	11,106
Shared Accommodation					
	- Housing Benefit	132,615	-	132,615	117,286
Grants					
	- Erewash Borough Council	-	-	-	100
	- Big Lottery Fund	-	-	-	-
	- 29th May 1961 Fund	4,000	-	4,000	4,000
	- Derbyshire Community Grant	1,000	-	1,000	-
	- Erewash Borough Council	46,357	-	46,357	-
	- Mansfield District Council	47,105	500	47,605	-
	- Co-Op Covid Grant	1,624	-	1,624	-
	- Crisis UK Grant	2,000	-	2,000	-
	- Western Power Grant	1,000	-	1,000	-
	- SLA Covid Grant	-	27,232	27,232	-
	- Notts County Council	1,000	-	1,000	-
	- Marsh Christian Trust	300	-	300	-
	- Severn Trent Water Recovery	5,000	-	5,000	-
	- Lady Hind Trust	2,500	-	2,500	-
	- LCF Co-Op Grant	2,911	-	2,911	-
	- Erewash Borough Council	-	-	-	-
	- Food Bank Grant	-	1,000	1,000	-
		275,896	28,732	304,628	219,871
Other Income					
	- Rag Collections	916	-	916	3,156
	- eBay Sales	3,667	-	3,667	1,349
	- Delivery Income	1,238	-	1,238	1,458
	- Utilities & Sundry Income	9,428	-	9,428	7,094
	- Rent, Room Hire & Conferences	8,050	-	8,050	25,415
	- Management Fee	-	-	-	-
	- The Project	8,587	-	8,587	10,903
		31,886	-	31,886	49,375
Donations					
	- Gifts from Arena Church	8,139	-	8,139	5,962
	- Donations & General Gifts	25,385	-	25,385	13,752
	- 1000 Club	5,193	-	5,193	2,492
		38,717	-	38,717	22,206

Trustee giving in the year amounted to £597 (2020: £504).

The notes form part of these financial statements

Arena Community
Registered Charity Limited by Guarantee

Notes to the Financial Statements for the Year Ended 31 March 2021 - Continued

3. Resources Expenses

Charitable Activities	Unrestricted Costs £	Restricted Costs £	Total 2021 £	Total 2020 £
Purchases for resale & sale costs	2,952	-	2,952	2,470
Foodbank Supplies	48	-	48	4,403
Refuse Collection	2,348	-	2,348	3,732
Light & Heat	18,870	-	18,870	31,258
Water Rates	4,035	-	4,035	4,406
Rent & Rates	57,359	15,036	72,395	73,337
Telephone	1,184	-	1,184	964
Staff Wages, Pension & NIC (note 5)	127,542	6,802	134,344	144,369
Sundry Costs (inc. Training)	1,873	3,109	4,982	2,779
Office Costs	788	-	788	794
Repairs, Renewals & Maintenance	11,576	-	11,576	13,171
Cleaning	865	-	865	771
Insurance	15,375	-	15,375	12,543
Legal Fees and Licences	2,155	-	2,155	2,140
Travel and Transport Costs	3,477	-	3,477	8,522
Accountancy Fees	1,350	-	1,350	1,440
Consultancy Fees	24,427	-	24,427	19,732
Bank and Interest Charges	347	-	347	515
Depreciation	22,860	9,787	32,647	30,875
Professional/Management Fees	2,363	-	2,363	2,605
Project Related Costs & Events	2,790	3,785	6,575	940
Mortgage Interest	9,853	-	9,853	10,107
	<u>314,437</u>	<u>38,519</u>	<u>352,956</u>	<u>371,873</u>

4. Fixed Assets

	Equipment £	Fixtures & Fittings £	Bellfield & Leeming Street Properties £	Motor Vehicles £	Woolworths Project	Total £
Cost b/fwd	10,473	9,746	374,518	8,750	97,871	501,358
Additions/(Disposals)	3,330	1,177	15,374	-	-	19,881
	<u>13,803</u>	<u>10,923</u>	<u>389,892</u>	<u>8,750</u>	<u>97,871</u>	<u>521,239</u>
Less depreciation to date	(8,432)	(6,362)	(72,908)	(8,750)	(41,349)	(137,801)
Depreciation in the year	(1,102)	(936)	(20,822)	-	(9,787)	(32,647)
Net book value at 31.3.21	<u>4,269</u>	<u>3,625</u>	<u>296,162</u>	<u>-</u>	<u>46,735</u>	<u>350,791</u>

To fund the purchase of a property formerly known as 'Rileys' at Leeming Street Mansfield, a loan was taken from Kingdom Bank. The loan is repayable:

Due	1 – 2 years	13,984
	2 – 5 years	41,844
Over	5 years	105,533

The bank holds a fixed and floating charge over the property at Leeming Street, Mansfield dated 16 April 2013.

The notes form part of these financial statements

Arena Community
Registered Charity Limited by Guarantee

Notes to the Financial Statements for the Year Ended 31 March 2021 - Continued

5. Management and Administration costs

Included in charitable activities are staff costs as follows:-

	2021 £	2020 £
Salaries	131,105	141,745
National Insurance	2,314	1,761
Pension	925	863
	<u>134,344</u>	<u>144,369</u>
	2021 £	2020 £
Average Number of Paid Employees in the Year	<u>16</u>	<u>17</u>

No employee received emoluments of more than £60,000 in the year, the highest paid employees salary totalled £14,312.

6. Emoluments of Trustees

No emoluments were received by the Trustees either in their capacities as Trustees or as members of the Board of Trustees. Lisa Harrison is a trustee and paid employee of the Charity. In the year her gross pay totalled £14,311.88 (2020: £8,827.56). This is allowed in the Constitution, which has received Charity Commission approval.

There were no other emoluments or expenses paid to any charity trustee or persons connected with such a trustee directly or indirectly from the funds of the Company or from the property of any institution or body corporate connected with the Company.

Related Party

Mr Kristian Thorpe who is a member and trustee of the Arena Church received consulting income from the charity totalling £14,130 (2020: £12,000) via his limited company known as Grace GB Ltd. A gift of £2,500 was also made in the year to Kristian Thorpe and his immediate family. The charity employs the brother of Kristian Thorpe under a contract of employment.

Mr Thorpe rents to the charity properties at 138 Godfrey Drive, 32 Barlow Drive, 70 Norman Street and 5 Milton Street, Ilkeston at a monthly rent of £1,865.00 per month. The properties are used to deliver the Shared Accommodation Project. The total rent for the period totalled £22,380 (2020: £22,380). This agreement is for a 24 month period.

7. Taxation

The Company is a registered Charity and as such no taxation is payable on the excess of income over expenditure.

All income generated by the charitable shop is regarded as non – primary purpose trading, generating funds to support its charitable work alone.

8. Movement in Total Funds for the year

	2021 £	2020 £
Independent Examination	1,350	1,440

9. Limited Liability

Arena Community is a company limited by guarantee and every member undertakes to contribute such an amount, not exceeding one pound, as may be required in the event of the company being wound-up while he is a member, or within one year after he ceases to be a member, for payment of debts and liabilities of the company and the cost of winding-up.

The notes form part of these financial statements

Arena Community
Registered Charity Limited by Guarantee

Notes to the Financial Statements for the Year Ended 31 March 2021 - Continued

10. Related Party

Arena Community is a charitable company set up to support the work of its trading companies known as Anera Enterprises Ltd and The Project Ilkeston Ltd, of which the charity owns the whole share capital. Management fees are charged to the subsidiaries by Arena Community to represent the use of offices, accounting staff and light and heat. The charges made were £NIL to Anera Enterprises Ltd and £8,587 to The Project Ilkeston Ltd – there is no outstanding balance at the year end date.

During the year there have been the following transactions between the Arena Church and the charity:-

A loan from Arena Church of £20,000 (2020: £20,000) was made previously and is still outstanding at this year end date.

Mr K Thorpe is appointed both minister and trustee of the Arena Church and also rents properties to the charity for their use in the charity (see note 6).

Arena Church charged a management fee to the charity of £8,894 (2020: £10,680). This was for the use of the accounting staff, offices, light and heat etc. This is recharged via the intercompany account.

Arena Church now conducts its services in Mansfield from the building on Leeming Street which belongs to Arena Community – a charge is made for the hire of the premises. The charge for the year was £1,500 (2020: £18,000). The balance owing at 31 March 2021 was £Nil (2020 - £Nil).

Arena Church gifted in the year a total (including Gift Aid) of £8,139 (2020: £5,962) to Arena Community.

No interest has been charged on the inter-company loans.

There are no other related party transactions.

Intercompany Accounts

Arena Community operated intercompany accounts with its related businesses, Arena Church and Anera Enterprises Limited, to share joint costs and to correctly allocate expenditure.

The intercompany balances at 31 March 2021 were:

Creditors:	£	
Arena Church	182,312	(31 March 2020 - £172,758)
Anera Enterprises Ltd	25,188	(31 March 2020 - £24,987)
Debtors:		
The Project Ilkeston Ltd	72,303	(31 March 2020 - £63,919)

11. Future Commitments

The charity shop in Ilkeston known as 'Arena Hope' had a three year lease which renewed in November 2017 and extends to November 2022, which is at a cost per annum of £9,960. There is a six month break clause.

The charity shop in Mansfield known as 'Open Door' had a lease until March 2012 which is at a cost per annum of £6,460, the lease continues on a month to month basis, no new lease has been agreed since 2012.

The charity operates a community hub and furniture project from premises at Belfield Street, Ilkeston, had a 5 year lease at a cost per annum of £9,000 until September 2020. This was renewed at a cost per annum of £10,000 until September 2025.

Arena Community took a lease at premises at the old Woolworths store in Ilkeston, known as the Woolworths Project. The lease is for a period of 15 years until 2031 at a cost per annum of £7,350. The lease has break clauses at 2021 and 2026.

The notes form part of these financial statements

**Arena Community
Registered Charity Limited by Guarantee**

Notes to the Financial Statements for the Year Ended 31 March 2021 - Continued

12. Investment in subsidiary

The charity wholly owns two subsidiaries, Anera Enterprises Ltd and The Project Ilkeston Limited; the charity holds the issued ordinary shares in each company representing 100% of the equity of the company. The principal activity of Anera Enterprises Ltd is the operation of a conference centre, room hire, events and coffee shops and the principal activity of The Project Ilkeston Limited is running the Workshop Café. Anera Enterprises Ltd ceased to trade on the 30 September 2021.

A summary of the results of the subsidiary is shown below:

	Anera Enterprises Ltd		The Project Ilkeston Ltd	
	2021	2020	2021	2020
	£	£	£	£
Turnover	28,364	93,499	60,177	71,228
Cost of sales	1,775	14,629	1,694	21,725
Gross profit	26,589	78,870	58,483	49,503

The aggregate of the assets, liabilities and funds was:

Assets	-	50,642	3,831	6,795
Liabilities	6,051	6,246	21,641	108,170
Funds (representing 1 ordinary share of £1 each)	26,725	43,396	(87337)	(101,375)

Investment in subsidiary at cost

1 Ordinary share of £1 each	1	1	1	1
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13. Group Accounts

The company has taken advantage of examples provided by the Companies Act 2006 in not preparing Group Accounts on the basis that the group qualifies as a small group.

14. Open Door Charity Shop

On the 27 July 2010 a legal agreement was made between the trustees of Arena Church and the trustees of Bosworth Street Church, Mansfield which incorporated a charity shop known as Open Door.

The assets of both the church and the shop were transferred in full to Arena Church.

The notes form part of these financial statements

Arena Community
Registered Charity Limited by Guarantee

Notes to the Financial Statements for the Year Ended 31 March 2021 – Continued

15. Movement in Funds

	At 1.4.20	Incoming Resources	Outgoing Resources	Transfers	At 31.3.21
Restricted Funds					
SLA COVID Grant	-	27,232	27,232	-	-
Flourish	2,935	-	-	-	2,935
Woolworths Project	56,522	-	9,787	-	46,735
Erewash Borough Council/ Mansfield Borough Council	-	1,500	1,500	-	-
	<u>59,457</u>	<u>28,732</u>	<u>38,519</u>	<u>-</u>	<u>49,670</u>

Restricted Fund – Woolworths Project. A balance was carried forward of £59,522. The asset has been capitalised and the balance will be written off over a 10 year period. The balance at 31 March 2021 was £49,670.

Restricted Fund – Flourish – This fund held specific donations received for the cultivation of the community garden which is overseen by Wash Arts. At 31 March 2021 a balance of £2,935 remained.

Restricted Fund – Erewash and Mansfield District Council – To support the work of the food bank, all spent in the year.

Restricted Fund – SLA COVID Grant – An amount of £27,232 to support the charity in the period of COVID closedown for supported housing work, all spent in the year .

	At 1.4.19	Incoming Resources	Outgoing Resources	Transfers	At 31.3.20
Restricted Funds					
Flourish	2,935	-	-	-	2,935
Woolworths Project	66,309	-	9,787	-	56,522
Erewash Borough Council	-	100	100	-	-
	<u>69,244</u>	<u>100</u>	<u>9,887</u>	<u>-</u>	<u>59,457</u>

16. Analysis of Net Assets between Funds

	General Funds	Restricted Funds	Total
	£	£	£
Fixed Assets	307,041	56,522	263,563
Current Assets	89,484	2,935	92,419
Current Liabilities	(317,490)	-	(317,490)
Long Term Liabilities	(165,492)	-	(165,492)
Net Assets at 31.3.20	<u>(86,457)</u>	<u>59,457</u>	<u>(27,000)</u>

	General Funds	Restricted Funds	Total
	£	£	£
Fixed Assets	304,056	46,735	350,791
Current Assets	149,908	2,935	152,843
Current Liabilities	(314,908)	-	(314,908)
Long Term Liabilities	(161,361)	-	(161,361)
Net Assets at 31.3.21	<u>(22,305)</u>	<u>49,670</u>	<u>27,365</u>

The notes form part of these financial statements

Arena Community
Registered Charity Limited by Guarantee

Notes to the Financial Statements for the Year Ended 31 March 2021 – Continued

17. Short Term Loan

There is a balance outstanding at 31 March 2021 of £56,770. This total is repayable on demand.

18. Debtors

	2021 £	2020 £
Trade Debtors	7,153	6,560
Other Debtors	780	780
Prepayments	16,095	16,682
	<hr/> 24,028	<hr/> 24,022

19. Sundry Creditors

	2021 £	2020 £
Accruals	9,707	11,056
Trade Creditors	13,982	19,812
PAYE and Pension	(7,035)	(1,877)
	<hr/> 16,654	<hr/> 28,991

The notes form part of these financial statements