

FEARON COMMUNITY ASSOCIATION LIMITED

England & Wales · Charity number 1130457

Details

Status Registered

Legal form Charitable company

Company number [06852232](#)

Registered 2009-07-06

Register [View on the Charity Commission register](#)

Contact

Address Fearon Hall Community Association
Fearon Hall
Rectory Road
Loughborough
LE11 1PL

Phone 01509230629

Email OFFICE@FEARONHALL.ORG.UK

Website www.fearonhall.co.uk

Activities

Objects: TO PROMOTE THE BENEFIT OF THE INHABITANTS OF LOUGHBOROUGH AND THE NEIGHBOURHOOD BUT PARTICULARLY FOR THE BENEFIT OF THE INHABITANTS OF THE AREA NORTH-EAST OF LEICESTER ROAD/HIGH STREET/DERBY ROAD WITHOUT DISTINCTION OF SEX OR OF POLITICAL RELIGIOUS OR OTHER OPINIONS BY ASSOCIATING THE LOCAL AUTHORITIES, VOLUNTARY ORGANISATIONS AND INHABITANTS IN A COMMON EFFORT TO ADVANCE EDUCATION AND TO PROVIDE FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR RECREATIONS AND LEISURE-TIME OCCUPATION WITH THE OBJECT OF IMPROVING THE CONDITIONS OF LIFE FOR THE SAID INHABITANTS

Activities: FOR BENEFIT OF LOUGHBOROUGH INHABITANTS FROM N.E. LEICESTER RD/HIGH ST/DERBY RD. BY ASSOCIATING WITH LOCAL AUTHORITIES, VOLUNTARY ORGANISATIONS AND INHABITANTS IN A COMMON EFFORT TO ADVANCE EDUCATION AND PROVIDE FACILITIES IN THE INTERESTS OF SOCIAL WELFARE, FOR RECREATION AND LEISURE-TIME OCCUPATION WITH THE OBJECT OF IMPROVING THE CONDITIONS OF LIFE FOR THE SAID INHABITANTS.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** General Charitable Purposes, Education/training, Economic/community Development/employment
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** LOUGHBOROUGH AND THE NEIGHBOURHOOD
- Leicestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£305,104	£273,628	-	-
2024-03-31	£306,580	£325,959	-	-
2023-03-31	£286,940	£269,273	-	-
2022-03-31	£221,022	£204,045	-	-
2021-03-31	£247,908	£202,251	-	-

Trustees

Name	Role	Appointed
ANDREW BARR RHODES		2016-04-19
Dr Susan Lyn Warner		2025-10-01
MICHAEL LANCE WELBOURNE		2016-04-19
RICHARD EDWARD THORPE		

FEARON COMMUNITY ASSOCIATION LIMITED

England & Wales - Charity number 1130457

Accounts

FEARON COMMUNITY ASSOCIATION LTD

(A COMPANY LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Company Number: 6852232

Charity Number: 1130457

**Cound & Co LLP
Chartered Accountants
1 Princes Court
Royal Way
Loughborough
Leics LE11 5XR**

Tel: 01509 214163

FEARON COMMUNITY ASSOCIATION LIMITED

TRUSTEES ANNUAL REPORT

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2025.

1) REFERENCE AND ADMINISTRATIVE DETAILS

a) REGISTERED CHARITY NUMBER

1130457

b) COMPANY NUMBER

6852232

c) REGISTERED OFFICE

Fearon Hall
Rectory Road
Loughborough
Leics, LE11 1PL

d) BANKERS

Metro Bank
One Southampton Row
London
WC1B 5HA

e) SOLICITORS

Moss Solicitors LLP
80-81 Woodgate
Loughborough
LE11 XE

f) ACCOUNTANTS AND INDEPENDENT EXAMINERS

Cound & Co LLP
1 Princes Court
Royal Way
Loughborough
Leics, LE11 5XR

DIRECTORS AND TRUSTEES

The directors of the charitable company (the charity) are its trustees for the purpose of the charity law and throughout this report are collectively referred to as the trustees.

The trustees who served during the period were as follows:

R E Thorpe
M L Welbourne
A B Rhodes
R M M Cant (Resigned 6 August 2025)
P J Goodman (Resigned 30 July 2024)
D R Gough (Chair)

FEARON COMMUNITY ASSOCIATION LIMITED

TRUSTEES ANNUAL REPORT

2) OBJECTIVES AND ACTIVITIES

The Memorandum of Association dated 19 March 2009 states that the objects of the charity are to provide educational, social and recreational facilities for people living in the North East area of Loughborough and to maintain and run the building known as the Fearon Hall as a centre offering such opportunities.

The Association's income comprises grants from local authorities, rental income from the hire of the Hall's function rooms and the sale of lunches.

3) STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Fearon Community Association Ltd is a company limited by guarantee governed by its Memorandum and Articles of Association dated 19 March 2009. It is a charity registered with the Charity Commission. Membership is open to any affiliated group using the community centre, each of whom agree to contribute up to £10 in the event of the charity being wound up.

Appointment of Trustees

As set out in the Articles of Association, the Association has a minimum of three trustees and it is not subject to a maximum number. One trustee retires in rotation at each Annual General Meeting, but may be re-appointed. Members are invited to nominate trustees prior to the AGM.

Trustee Induction and Training

New trustees are advised of their obligations under charity and company law, the content of the Memorandum and Articles of Association as well as the structure and decision-making process of the committee.

Public Benefit

The trustees have had regard to the guidance published by the Charities Commission in respect of public benefit when exercising any powers or duties to which the guidance is relevant.

4) RISK MANAGEMENT

The management committee confirms that the major risks to which the charity is exposed have been reviewed and systems have been established to mitigate those risks.

- (a) The properties are properly insured and well maintained.
- (b) Staff are properly trained in the care of children and in Health and Safety procedures.
- (c) All significant bank transactions have to be authorised by two trustees or senior employees.

5) ACHIEVEMENTS AND PERFORMANCE

"Fearon Hall is a hub of belonging, support, and opportunity that we build together."

This year at Fearon Hall has been marked by events that capture the essence of our community, including vegan pop-up evenings, Rafters music, cultural celebrations and health partnership activities. These moments highlight the strength we find in coming together.

In a time when global and local challenges risk dividing communities, Fearon Community Association continues to celebrate diversity and foster connection. As Trustees, we have strengthened governance and fundraising to ensure resilience and impact for the future.

FEARON COMMUNITY ASSOCIATION LIMITED

TRUSTEES ANNUAL REPORT

5) ACHIEVEMENTS AND PERFORMANCE (continued)

As I step down from the Board later this year, I am proud that the Association lives “community” through action. Our success is the result of dedicated staff, volunteers, and partners, whose contributions we celebrated at the Big Thank You Volunteer event in June.

As Coretta Scott King reminds us, “The greatness of a community is most accurately measured by the compassionate actions of its members.” It is this compassion that continues to sustain and define Fearon Community Association.

6) FINANCIAL REVIEW

“This has been a solid year for the Association.”

We have seen a rise in room hire income, and the café continues to increase its sales. However, slightly less grant funds received in the year has meant that total income was about the same as the year before.

We managed to reduce expenditure compared to the previous year, most notably on repairs and maintenance, class and group expenses, and on the salary for an Assistant Manager. Operating without this role has meant increased workload for the existing staff, and they all deserve much praise for maintaining such an excellent standard of service.

As we enter the final year of the current Community Fund grant, work is underway to secure the further funding required to keep us operating with the same (if not better) levels of service.

7) RESERVES POLICY

The charity’s reserves policy is to hold, if possible, reserves equivalent to six months expenditure.

..... 2025
D R Gough
Chair

..... 2025
M L Welbourne
Treasurer

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
FEARON COMMUNITY ASSOCIATION LIMITED**

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2025 which are set out on pages 6 to 13.

Responsibilities and Basis of Report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirement 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 company's accounts as carried out under section 145 of the Charities 2011 Act ('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

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 that in any material respect:

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 requirement 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.

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 R Gradon MA FCA
Cound & Co LLP
Chartered Accountants
1 Princes Court
Royal Way
Loughborough
Leics
LE11 5XR

2025

FEARON COMMUNITY ASSOCIATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted Funds <u>2025</u>	Unrestricted Funds <u>2024</u>
INCOME FROM:	<u>Notes</u>		
<u>Generated Funds</u>			
Activities for generating funds	2	98882	80958
Investment Income	3	839	675
<u>Charitable Activities</u>			
Miscellaneous Income		889	1616
Cafe Income		71819	65066
Council Grants	4a	29727	32366
Fundraising Events		-	699
Other Grants	4b	102288	122603
Donations		660	2597
		-----	-----
TOTAL INCOME		£305104	£306580
		=====	=====
EXPENDITURE:			
<u>Charitable Activities</u>			
Cafe Expenses & Wages	5	79123	78798
Fundraising Event Expenses		240	776
Operating Costs	6	154565	191060
Pension provision adjustment	15	2793	100
Governance Costs	7	8585	10282
Classes and Groups expenditure		26558	43231
Pension Scheme Administration		1764	1712
		-----	-----
TOTAL EXPENDITURE		£273628	£325959
		=====	=====
Net Income (Expenditure) and Net Movement in Funds		31476	(19379)
RECONCILIATION OF FUNDS			
TOTAL FUNDS BROUGHT FORWARD		59288	78667
		-----	-----
TOTAL FUNDS CARRIED FORWARD		£90764	£59288
		=====	=====

FEARON COMMUNITY ASSOCIATION LIMITED

BALANCE SHEET AS AT 31 MARCH 2025

	<u>Notes</u>	<u>2025</u>	<u>2024</u>		
FIXED ASSETS	10	14014		28168	
CURRENT ASSETS					
Debtors	8	12868	3245		
Cash		1123	2019		
Bank		93519	43101		
		<u>107510</u>	<u>48365</u>		
CREDITORS - Due within one period	9	27990	79520	16029	32336
		<u>27990</u>	<u>79520</u>	<u>16029</u>	<u>32336</u>
TOTAL NET ASSETS		93534			60504
PROVISIONS FOR LIABILITIES AND CHARGES	15	2770			1216
		<u>2770</u>			<u>1216</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		£90764			£59288
		<u>£90764</u>			<u>£59288</u>
UNRESTRICTED FUNDS					
Accumulated Fund	13	£90764			£59288
		<u>£90764</u>			<u>£59288</u>

For the year ending 31 March 2025 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts;
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

These financial statements were approved by the Board on 2025 and signed on its behalf by

.....
D R Gough (Chair)

The information on pages 7 to 13 form an integral part of these financial statements.

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2025

1 ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the Charities SORP (FRS102): “Accounting and Reporting by Charities, Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS102”) (effective 1 January 2015), FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective September 2015), The Charities Act 2011 and the Companies Act 2006. The disclosure requirements of section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

The Charity constitutes a public benefit under FRS102.

b) Company Status

The charity is a company limited by guarantee. The trustees of the company are named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

c) Fund Accounting

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

Restricted funds are to be used for specific purposes as laid down by the donor and expenditure which meets these criteria is charged to the fund.

d) Incoming Resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and can be quantified with reasonable accuracy.

e) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs to that category. Resources expended include attributable VAT which cannot be recovered.

f) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at a rate calculated to write off the cost of each asset over its expected useful life as follows:

Fixtures, Fittings and Equipment - 3 Year Straight line

g) Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowances for slow and obsolete moving items.

h) Pensions

The pension costs charged in the accounts represent the contributions payable by the charity during the year.

i) Foreign Currency

Currencies are translated at the conversion rate on the balance sheet date.

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2025

2	<u>ACTIVITIES FOR GENERATING FUNDS</u>	Unrestricted Funds <u>2025</u>	Unrestricted Funds <u>2024</u>
	Rents and Lease Income Comprise:		
	Room Rental Income	82270	61918
	Photocopying	295	1162
	Classes and Groups	15544	15763
	Community Shop	773	2115
		-----	-----
		£98882	£80958
		=====	=====
3	<u>INVESTMENT INCOME</u>	<u>2025</u>	<u>2024</u>
	Bank Interest	£839	£675
		=====	=====
4a	<u>COUNCIL GRANTS</u>	Unrestricted Funds <u>2025</u>	Unrestricted Funds <u>2024</u>
	CBC - Core Grant	29727	29727
	CBC - BBQ	-	450
	CBC – Stair Lift	-	-
	CBC – Navigating Recovery	-	-
	LCC – Arts Group	-	-
	LCC – Moving Together	-	-
	CBC – Exercise Classes	-	2189
		-----	-----
		£29727	£32366
		=====	=====
4b	<u>OTHER GRANTS</u>	<u>2025</u>	<u>2024</u>
	Lottery Grant	96061	105150
	Room Hire - Grant Funded	250	-
	Leicestershire Police	1477	9900
	Peoples Health Grant – Gaming group	4500	7053
	Asylum Project	-	500
		-----	-----
		£102288	£122603
		=====	=====

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2025

5	<u>CAFE COSTS</u>		Unrestricted Funds <u>2025</u>	Unrestricted Funds <u>2024</u>
	Wages		50573	51154
	Purchases & Cleaning		28550	27644
			—	—
			£79123	£78798
			—	—
6	<u>OPERATING COSTS</u>		Unrestricted Funds <u>2025</u>	Unrestricted Funds <u>2024</u>
	Advertising & Marketing		295	1348
	Repairs and Refurbishment	1	10661	19218
	Cleaning Materials & Wages		31073	28740
	Salary (Assistant Manager)		4398	27031
	Salary (Manager)		33701	34129
	Staff Pension		2280	2780
	Employers National Insurance		2388	4642
	Licences		2322	3042
	Light and Heat		21574	17690
	Insurance		4973	4845
	Water		2815	3076
	Telephone		2195	2682
	Postage and Stationery		754	1423
	Photocopying		1724	2531
	Miscellaneous (canteen, volunteers' lunches etc)		1991	4067
	Rent		9200	8098
	Loss on Exchange		106	127
	Depreciation		16704	17595
	Health & Safety		2834	6021
	Computer Expenses		1227	1094
	Bank Charges		950	738
	Bad Debt		400	143
			—	—
			£154565	£191060
			—	—
7	<u>GOVERNANCE COSTS</u>		<u>2025</u>	<u>2024</u>
	Accountancy		1770	1740
	Bookkeeping		4034	5827
	Legal and Professional Fees		2781	2715
			—	—
			£8585	£10282
			—	—

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2025

8	<u>DEBTORS</u>	<u>2025</u>	<u>2024</u>
	Hiring of Hall	4870	(395)
	Prepayments	7998	3640
		_____	_____
		£12868	£3245
		=====	=====
9	<u>CREDITORS</u> - Amounts falling due within one year	<u>2025</u>	<u>2024</u>
	Room Hire in Advance	4597	4207
	Accruals	4356	3667
	Other Creditors	19037	8155
		_____	_____
		£27990	£16029
		=====	=====

10 FIXED ASSETS

a) Leasehold Property

Fearon Hall is owned by the PCC of All Saints with Holy Trinity with the Leicester Diocesan Board of Finance.

Under a lease agreement dated 9 July 2021 the hall is let to Fearon Community Association Ltd for 25 years at the following rent: -

Year 1:	£3,000
Year 2:	£6,000
Year 3:	£9,000

From Year 4 onwards the rent is increased in line with the Retail Price Index.

b) Tangible Fixed Assets

	<u>Fixtures Fittings & Equipment</u>	<u>Total</u>
Cost at 1 April 2024	£72116	£72116
Additions in Year	2550	2550
	_____	_____
At 31 March 2025	£74666	£74666
	=====	=====
<u>Depreciation</u>		
At 1 April 2024	£43948	£43948
Charge for the Year	16704	16704
	_____	_____
At 31 March 2025	£60652	£60652
	=====	=====
Net Book Value at 31 March 2025	£14014	£14014
	=====	=====
Net Book Value at 31 March 2024	£28168	£28168
	=====	=====

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2025

11 TRUSTEES REMUNERATION & RELATED PARTY TRANSACTIONS

M L Welbourne is a director of Coalraven Ltd, which provided bookkeeping services to the charity. None of the other trustees received any fees or expense payments.

12	<u>STAFF COSTS</u>		<u>2025</u>	<u>2024</u>
	Salaries		109705	131531
	Pension Costs		2280	2780
			-----	-----
			£111985	£134311
			=====	=====
	Average number of full time equivalent employees		7	7
			-----	-----
	No. of staff earning over £60000 per annum		-	-
			-----	-----

13 STATEMENT OF FUNDS

		At 31 March 2024			At 31 March 2024
		<u>B/Fwd</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>
					<u>C/Fwd</u>
	Unrestricted Funds	£59288	305104	273628	-
		-----	-----	-----	-----
					£90764
					=====

14 CONTROL

The Charity is controlled by its Members.

15 THE PENSIONS TRUST – THE GROWTH PLAN

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2025

Deficit Contributions

From 1 April 2025 to 31 March 2028: £2,100,000 per annum (payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 March 2028 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit Contributions

From 1 April 2022 to 31 January 2025: £3,312,000 per annum (payable monthly)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION

	31 March 2025 (£s)	31 March 2024 (£s)	31 March 2023 (£s)
Present value of provision	2,770	1,216	2,603

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2025 (£s)	Period Ending 31 March 2024 (£s)
Provision at start of period	1,216	2,603
Unwinding of the discount factor (interest expense)	32	99
Deficit contribution paid	(1,239)	(1,487)
Remeasurements - impact of any change in assumptions	18	1
Remeasurements - amendments to the contribution schedule	2,743	-
Provision at end of period	2,770	1,216

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2025

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2025 (£s)	Period Ending 31 March 2024 (£s)
Interest expense	32	99
Remeasurements – impact of any change in assumptions	18	1
Remeasurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

ASSUMPTIONS

	31 March 2025 % per annum	31 March 2024 % per annum	31 March 2023 % per annum
Rate of discount	4.84	5.31	5.52

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details and deficit contributions agreed between the company and the scheme at each year end period:

Year ending	31 March 2025	31 March 2024	31 March 2023
Year 1	988	1,239	1,487
Year 2	988		1,239
Year 3	988		
Year 4			
Year 5			
Year 6			

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

FEARON COMMUNITY ASSOCIATION LIMITED

England & Wales - Charity number 1130457

Accounts

FEARON COMMUNITY ASSOCIATION LTD

(A COMPANY LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Company Number: 6852232

Charity Number: 1130457

**Cound & Co LLP
Chartered Accountants
1 Princes Court
Royal Way
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Leics LE11 5XR**

Tel: 01509 214163

FEARON COMMUNITY ASSOCIATION LIMITED

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b) COMPANY NUMBER

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c) REGISTERED OFFICE

Fearon Hall
Rectory Road
Loughborough
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d) BANKERS

Metro Bank
One Southampton Row
London
WC1B 5HA

e) SOLICITORS

Moss Solicitors LLP
80-81 Woodgate
Loughborough
LE11 XE

f) ACCOUNTANTS AND INDEPENDENT EXAMINERS

Cound & Co LLP
1 Princes Court
Royal Way
Loughborough
Leics, LE11 5XR

DIRECTORS AND TRUSTEES

The directors of the charitable company (the charity) are its trustees for the purpose of the charity law and throughout this report are collectively referred to as the trustees.

The trustees who served during the period were as follows:

R E Thorpe
M L Welbourne
A B Rhodes
R M M Cant
G L Thomson (Resigned 3 September 2023)
P J Goodman (Resigned 30 July 2024)
D R Gough

FEARON COMMUNITY ASSOCIATION LIMITED

TRUSTEES ANNUAL REPORT

2) OBJECTIVES AND ACTIVITIES

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The Association's income comprises grants from local authorities, rental income from the hire of the Hall's function rooms and the sale of lunches.

3) STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Fearon Community Association Ltd is a company limited by guarantee governed by its Memorandum and Articles of Association dated 19 March 2009. It is a charity registered with the Charity Commission. Membership is open to any affiliated group using the community centre, each of whom agree to contribute up to £10 in the event of the charity being wound up.

Appointment of Trustees

As set out in the Articles of Association, the Association has a minimum of three trustees and it is not subject to a maximum number. One trustee retires in rotation at each Annual General Meeting, but may be re-appointed. Members are invited to nominate trustees prior to the AGM.

Trustee Induction and Training

New trustees are advised of their obligations under charity and company law, the content of the Memorandum and Articles of Association as well as the structure and decision-making process of the committee.

Public Benefit

The trustees have had regard to the guidance published by the Charities Commission in respect of public benefit when exercising any powers or duties to which the guidance is relevant.

4) RISK MANAGEMENT

The management committee confirms that the major risks to which the charity is exposed have been reviewed and systems have been established to mitigate those risks.

- (a) The properties are properly insured and well maintained.
- (b) Staff are properly trained in the care of children and in Health and Safety procedures.
- (c) All significant bank transactions have to be authorised by two trustees or senior employees.

5) ACHIEVEMENTS AND PERFORMANCE

Centre Manager's Report

Space for everyone

It's been an exciting year developing relationships with new groups and strengthening our connection with existing ones. Partnership working was one of our key priorities for the year, increasing our capacity to deliver on the identified needs within our community. For example, working alongside The Walk & Talk Project and LPT's Charnwood Mental Health Neighbourhood Lead we were part of a really successful men's event to tackle issues of loneliness and isolation which is a priority in Charnwood.

Our relationship with the Communities Food and Wellbeing Hub continues to go from strength to strength. We're delighted to support the work they do in providing health and wellness services directly into the community.

FEARON COMMUNITY ASSOCIATION LIMITED

TRUSTEES ANNUAL REPORT

5) ACHIEVEMENTS AND PERFORMANCE (continued)

Centre Manager's Report (continued)

I'm super proud that we are part of the Incredible Edible Loughborough journey. The UK wide network with a vision to create kind, confident and connected communities through the power of food. They use Fearon Hall as the base for delivering their vision throughout various sites across Loughborough.

Our belief in providing a safe and trusting environment that gives people access to a wide variety of opportunities is strengthened through these and other partnerships.

In addition to nurturing these partnerships, we continue to be a centre that delivers. Whether that's through Good Food Doing Good in the Café in the Hall; Community Arts that help to address personal challenges and community issues through a range of creative projects; identifying needs for regular activities like our food surplus supermarket, and Grief Café for adults who have lost a loved one; or simply in providing a local space for people to celebrate life events and special occasions.

None of this would be possible without the amazing team of staff and volunteers whose hard work and commitment enable these good things to happen. We are only as strong as the sum of our parts.

Increasingly, we are seeing people coming to us who require help or support in some way. We provide a refuge, an ear, guidance and signposting to more relevant organisations. This is specialist work and puts additional pressure on our small team. Moving forward this will be a focus for development with the appropriate partners in the coming year.

Behind all this great work there is the need to maintain the Association as a viable business and provide a building that is fit for purpose. It is the balance between cost and benefit that is never far from my mind, alongside the desire to reach out further into our wide and varied community.

Chair of FCA Ltd's Report

Celebrating Partnerships

At Fearon Community Association we truly believe that when we come together, great things can happen; so this year we have a focus on celebrating partnerships. We have many wonderful long-standing community connections and partnerships and this year has brought a renewal of these established connections, as well as building new collaborations too.

We are proud to continue our partnership with Transition Loughborough and our developing one with Incredible Edible Loughborough. Their work delivering sustainable solutions as well as growing beautiful (and delicious!) corners of our community really connects to the ethos and community spirit of the Association.

Our long-standing partnership with Anand Mangal Ladies Group continues to be an important part of life at Fearon Hall. Connecting communities through food and activity such as Diwali breakfast, Asian lunches and International Women's day, amongst others.

The staff team and volunteers have worked tirelessly this year to achieve some really great work, which is well and truly embedded in our wonderful community. The power of partnerships is at the heart of that work and we are proud to be connected to so many fantastic community organisations.

6) FINANCIAL REVIEW

We are pleased to report that our income has continued to increase in the year to March 2024. Additional grant funding has been successfully won and the Café in the Hall continues to go from strength to strength. Like all organisations, the cost of living is having an impact. We have seen rises in gas, electricity and rent alongside an increase in minimum wage. Depreciation has risen as we write off the ballroom refurbishments. Moving forward the Association has taken steps to increase income and manage costs. We are confident this will increase our surplus in the forthcoming year.

FEARON COMMUNITY ASSOCIATION LIMITED

TRUSTEES ANNUAL REPORT

7) RESERVES POLICY

The charity's reserves policy is to hold, if possible, reserves equivalent to six months expenditure.

.....
RMM Cant
Chair

6 November 2024

.....
ML Welbourne
Treasurer

6 November 2024

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
FEARON COMMUNITY ASSOCIATION LIMITED**

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2024 which are set out on pages 6 to 13.

Responsibilities and Basis of Report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirement 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 company's accounts as carried out under section 145 of the Charities 2011 Act ('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

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 that in any material respect:

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 requirement 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.

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 R Gradon MA FCA
Cound & Co LLP
Chartered Accountants
1 Princes Court
Royal Way
Loughborough
Leics
LE11 5XR

6 November 2024

FEARON COMMUNITY ASSOCIATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted Funds <u>2024</u>	Unrestricted Funds <u>2023</u>
INCOME FROM:	<u>Notes</u>		
<u>Generated Funds</u>			
Activities for generating funds	2	80958	80124
Investment Income	3	675	208
<u>Charitable Activities</u>			
Miscellaneous Income		1616	1242
Cafe Income		65066	44322
Council Grants	4a	32366	44024
Fundraising Events		699	4195
Other Grants	4b	122603	111638
Donations		2597	1187
		-----	-----
TOTAL INCOME		£306580	£286940
		=====	=====
EXPENDITURE:			
<u>Charitable Activities</u>			
Cafe Expenses & Wages	5	78798	60559
Fundraising Event Expenses		776	2380
Operating Costs	6	191060	168181
Pension provision adjustment	15	100	8
Governance Costs	7	10282	10003
Classes and Groups expenditure		43231	26479
Pension Scheme Administration		1712	1663
		-----	-----
TOTAL EXPENDITURE		£325959	£269273
		=====	=====
Net Income (Expenditure) and Net Movement in Funds		(19379)	17667
RECONCILIATION OF FUNDS			
TOTAL FUNDS BROUGHT FORWARD		78667	61000
		-----	-----
TOTAL FUNDS CARRIED FORWARD		£59288	£78667
		=====	=====

FEARON COMMUNITY ASSOCIATION LIMITED

BALANCE SHEET AS AT 31 MARCH 2024

	<u>Notes</u>	<u>2024</u>		<u>2023</u>	
FIXED ASSETS	10		28168		42472
CURRENT ASSETS					
Debtors	8	3245		10800	
Cash		2019		287	
Bank		43101		51797	
		<u>48365</u>		<u>62884</u>	
CREDITORS - Due within one period	9	16029	32336	24086	38798
		<u>16029</u>	<u>32336</u>	<u>24086</u>	<u>38798</u>
TOTAL NET ASSETS			60504		81270
PROVISIONS FOR LIABILITIES AND CHARGES	15		1216		2603
			<u>1216</u>		<u>2603</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			£59288		£78667
			<u>£59288</u>		<u>£78667</u>
UNRESTRICTED FUNDS					
Accumulated Fund	13		£59288		£78667
			<u>£59288</u>		<u>£78667</u>

For the year ending 31 March 2024 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts;
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

These financial statements were approved by the Board on 6 November 2024 and signed on its behalf by

.....
RMM Cant (Chair)

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2024

1 ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the Charities SORP (FRS102): “Accounting and Reporting by Charities, Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS102”) (effective 1 January 2015), FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective September 2015), The Charities Act 2011 and the Companies Act 2006. The disclosure requirements of section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

The Charity constitutes a public benefit under FRS102.

b) Company Status

The charity is a company limited by guarantee. The trustees of the company are named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

c) Fund Accounting

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

Restricted funds are to be used for specific purposes as laid down by the donor and expenditure which meets these criteria is charged to the fund.

d) Incoming Resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and can be quantified with reasonable accuracy.

e) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs to that category. Resources expended include attributable VAT which cannot be recovered.

f) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at a rate calculated to write off the cost of each asset over its expected useful life as follows:

Fixtures, Fittings and Equipment - 3 Year Straight line

g) Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowances for slow and obsolete moving items.

h) Pensions

The pension costs charged in the accounts represent the contributions payable by the charity during the year.

i) Foreign Currency

Currencies are translated at the conversion rate on the balance sheet date.

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2024

2	<u>ACTIVITIES FOR GENERATING FUNDS</u>	Unrestricted Funds <u>2024</u>	Unrestricted Funds <u>2023</u>
	Rents and Lease Income Comprise:		
	Room Rental Income	61918	61890
	Photocopying	1162	1630
	Classes and Groups	15763	14847
	Community Shop	2115	1757
		-----	-----
		£80958	£80124
		=====	=====
3	<u>INVESTMENT INCOME</u>	<u>2024</u>	<u>2023</u>
	Bank Interest	£675	£208
		=====	=====
4a	<u>COUNCIL GRANTS</u>	Unrestricted Funds <u>2024</u>	Unrestricted Funds <u>2023</u>
	CBC - Core Grant	29727	29727
	CBC - BBQ	450	-
	CBC – Stair Lift	-	7797
	CBC – Navigating Recovery	-	500
	LCC – Arts Group	-	5000
	LCC – Moving Together	-	1000
	CBC – Exercise Classes	2189	-
		-----	-----
		£32366	£44024
		=====	=====
4b	<u>OTHER GRANTS</u>	<u>2024</u>	<u>2023</u>
	Lottery Grant	105150	100554
	Peoples Health	-	11084
	Leicestershire Police	9900	-
	Peoples Health Grant – Gaming group	7053	-
	Asylum Project	500	-
		-----	-----
		£122603	£111638
		=====	=====

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2024

5	<u>CAFE COSTS</u>	Unrestricted Funds <u>2024</u>	Unrestricted Funds <u>2023</u>
	Wages	51154	38572
	Purchases & Cleaning	27644	21987
		—	—
		£78798	£60559
		—	—
6	<u>OPERATING COSTS</u>	Unrestricted Funds <u>2024</u>	Unrestricted Funds <u>2023</u>
	Advertising & Marketing	1348	1576
	Repairs and Refurbishment	19218	31606
	Cleaning Materials & Wages	28740	27735
	Salary (Assistant Manager)	29082	25678
	Salary (Manager)	36720	31891
	Staff Pension	2780	2400
	Licences	3042	2978
	Light and Heat	17690	12452
	Insurance	4845	5010
	Water	3076	2621
	Telephone	2682	2036
	Postage and Stationery	1423	1325
	Photocopying	2531	2125
	Miscellaneous (canteen, volunteers' lunches etc)	4067	2609
	Rent	8098	5250
	Loss on Exchange	127	(197)
	Depreciation	17595	7962
	Health & Safety	6021	1958
	Computer Expenses	1094	1166
	Bank Charges	738	-
	Bad Debt	143	-
		—	—
		£191060	£168181
		—	—
7	<u>GOVERNANCE COSTS</u>	<u>2024</u>	<u>2023</u>
	Accountancy	1740	1680
	Bookkeeping	5827	5399
	Legal and Professional Fees	2715	2924
		—	—
		£10282	£10003
		—	—

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2024

8	<u>DEBTORS</u>	<u>2024</u>	<u>2023</u>
	Hiring of Hall	(395)	956
	Prepayments	3640	9844
		_____	_____
		£3245	£10800
		=====	=====

9	<u>CREDITORS</u> - Amounts falling due within one year	<u>2024</u>	<u>2023</u>
	Room Hire in Advance	4207	1810
	Accruals	3667	8152
	Other Creditors	8155	14124
		_____	_____
		£16029	£24086
		=====	=====

10 FIXED ASSETS

a) Leasehold Property

Fearon Hall is owned by the PCC of All Saints with Holy Trinity with the Leicester Diocesan Board of Finance.

Under a lease agreement dated 9 July 2021 the hall is let to Fearon Community Association Ltd for 25 years at the following rent: -

Year 1:	£3,000
Year 2:	£6,000
Year 3:	£9,000

From Year 4 onwards the rent is increased in line with the Retail Price Index.

b) Tangible Fixed Assets

	<u>Fixtures Fittings & Equipment</u>	<u>Total</u>
Cost at 1 April 2023	£68825	£68825
Additions in Year	3291	3291
	_____	_____
At 31 March 2024	£72116	£72116
	=====	=====
<u>Depreciation</u>		
At 1 April 2023	26353	26353
Charge for the Year	17595	17595
	_____	_____
At 31 March 2024	£43948	£43948
	=====	=====
Net Book Value at 31 March 2024	£28168	£28168
	=====	=====
Net Book Value at 31 March 2023	£42472	£42472
	=====	=====

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2024

11 TRUSTEES REMUNERATION & RELATED PARTY TRANSACTIONS

M L Welbourne is a director of Coalraven Ltd, which provided bookkeeping services to the charity. None of the other trustees received any fees or expense payments.

12	<u>STAFF COSTS</u>	<u>2024</u>	<u>2023</u>
	Salaries	131531	112653
	Pension Costs	2780	2400
		-----	-----
		£134311	£115053
		=====	=====
	Average number of full time equivalent employees	7	7
		-----	-----
	No. of staff earning over £60000 per annum	-	-
		-----	-----

13 STATEMENT OF FUNDS

	At 31 March 2023				At 31 March 2024
	<u>B/Fwd</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>C/Fwd</u>
Unrestricted Funds	£78667	306580	325959	-	59288
	-----	-----	-----	-----	-----

14 CONTROL

The Charity is controlled by its Members.

15 THE PENSIONS TRUST – THE GROWTH PLAN

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2024

Deficit Contributions

From 1 April 2022 to 31 January 2025: £3,312,000 per annum (payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit Contributions

From 1 April 2019 to 30 September 2025: £11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION

	31 March 2024 (£s)	31 March 2023 (£s)	31 March 2022 (£s)
Present value of provision	1,216	2,603	4,082

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2024 (£s)	Period Ending 31 March 2023 (£s)
Provision at start of period	2,603	4,082
Unwinding of the discount factor (interest expense)	99	78
Deficit contribution paid	(1,487)	(1,487)
Remeasurements - impact of any change in assumptions	1	(70)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	1,216	2,603

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2024

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2024 (£s)	Period Ending 31 March 2023 (£s)
Interest expense	99	78
Remeasurements – impact of any change in assumptions	1	(70)
Remeasurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

ASSUMPTIONS

	31 March 2024 % per annum	31 March 2023 % per annum	31 March 2022 % per annum
Rate of discount	5.31	5.52	2.35

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details and deficit contributions agreed between the company and the scheme at each year end period:

Year ending	31 March 2024	31 March 2023	31 March 2022
Year 1	1,239	1,487	1,487
Year 2		1,239	1,487
Year 3	-		1,239
Year 4			
Year 5			
Year 6			

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

FEARON COMMUNITY ASSOCIATION LIMITED

England & Wales - Charity number 1130457

Accounts

FEARON COMMUNITY ASSOCIATION LTD

(A COMPANY LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Company Number: 6852232

Charity Number: 1130457

**Cound & Co LLP
Chartered Accountants
1 Princes Court
Royal Way
Loughborough
Leics LE11 5XR**

Tel: 01509 214163

FEARON COMMUNITY ASSOCIATION LIMITED

TRUSTEES ANNUAL REPORT

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2023.

1) REFERENCE AND ADMINISTRATIVE DETAILS

a) REGISTERED CHARITY NUMBER

1130457

b) COMPANY NUMBER

6852232

c) REGISTERED OFFICE

Fearon Hall
Rectory Road
Loughborough
Leics, LE11 1PL

d) BANKERS

Metro Bank
One Southampton Row
London
WC1B 5HA

e) SOLICITORS

Moss Solicitors LLP
80-81 Woodgate
Loughborough
LE11 XE

f) ACCOUNTANTS AND INDEPENDENT EXAMINERS

Cound & Co LLP
1 Princes Court
Royal Way
Loughborough
Leics, LE11 5XR

DIRECTORS AND TRUSTEES

The directors of the charitable company (the charity) are its trustees for the purpose of the charity law and throughout this report are collectively referred to as the trustees.

The trustees who served during the period were as follows:

R E Thorpe
M L Welbourne
A B Rhodes
S Modi (Resigned 19 July 2022)
R M M Cant
G L Thomson
M Charlesworth (Resigned 29 March 2023)
P J Goodman (Appointed 8 February 2023)
D R Gough (Appointed 8 February 2023)

FEARON COMMUNITY ASSOCIATION LIMITED

TRUSTEES ANNUAL REPORT

2) OBJECTIVES AND ACTIVITIES

The Memorandum of Association dated 19 March 2009 states that the objects of the charity are to provide educational, social and recreational facilities for people living in the North East area of Loughborough and to maintain and run the building known as the Fearon Hall as a centre offering such opportunities.

The Association's income comprises grants from local authorities, rental income from the hire of the Hall's function rooms and the sale of lunches.

3) STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Fearon Community Association Ltd is a company limited by guarantee governed by its Memorandum and Articles of Association dated 19 March 2009. It is a charity registered with the Charity Commission. Membership is open to any affiliated group using the community centre, each of whom agree to contribute up to £10 in the event of the charity being wound up.

Appointment of Trustees

As set out in the Articles of Association, the Association has a minimum of three trustees and it is not subject to a maximum number. One trustee retires in rotation at each Annual General Meeting, but may be re-appointed. Members are invited to nominate trustees prior to the AGM.

Trustee Induction and Training

New trustees are advised of their obligations under charity and company law, the content of the Memorandum and Articles of Association as well as the structure and decision-making process of the committee.

Public Benefit

The trustees have had regard to the guidance published by the Charities Commission in respect of public benefit when exercising any powers or duties to which the guidance is relevant.

4) RISK MANAGEMENT

The management committee confirms that the major risks to which the charity is exposed have been reviewed and systems have been established to mitigate those risks.

- (a) The properties are properly insured and well maintained.
- (b) Staff are properly trained in the care of children and in Health and Safety procedures.
- (c) All significant bank transactions have to be authorised by two trustees or senior employees.

5) ACHIEVEMENTS AND PERFORMANCE

At last year's AGM the Lone Ones Collective led a communal conversation asking "what does community mean?" Responses included: joy, love, food, connecting with people, chances to learn, communication, friendship, talking, people, caring, values and help. Looking back over our activities of the last year, I truly believe that these attributes that embody community are reflected in the amazing variety of activities and support that our team of staff and volunteers have been able to provide. Particular highlights include our expanding community arts programme. The arts have the potential to bridge our worlds, harness and explore the wisdom of our different views, engage our imagination to explore new ways of thinking and create experiences that can be shared by all people in our community. Other shared experiences include the developments with food at Fearon Hall. Our wonderful Café in the Hall is seeing more footfall and the highly popular vegan bistros have been a real hit, providing people the opportunity to connect over a regular monthly meal.

FEARON COMMUNITY ASSOCIATION LIMITED

TRUSTEES ANNUAL REPORT

5) ACHIEVEMENTS AND PERFORMANCE (continued)

We have developed projects that support the very real issues of food poverty and the impact that waste food has on our environment through our Good Food Doing Good Pop Up Store and our relationship with Incredible Edible Loughborough. Whilst there is much to celebrate, we, like the wider community haven't escaped the rise in the cost of living. We have been hit by the increasing cost of energy, the rise in minimum wage has impacted greatly on our staffing costs and the increase in food prices and availability is being felt by the Café. To date we have managed to absorb these increased costs in order to minimise the impact on our users. However, we do have a legal responsibility to balance these financial commitments whilst still delivering on our charitable objectives. As I hand over the baton of Chair I am confident that with the ongoing dedication of trustees, staff and volunteers, the organisation is well placed to continue to meet these challenges.

6) FINANCIAL REVIEW

I am pleased to report a 30% increase in income for the financial year. This can be mainly attributed to the Café in the Hall more than doubling its income from £19,920 in 2022 to £44,322 this year along with an increase in grant funding of £26,035. There was also a modest improvement in room rental of £4,213. However, café expenses and staff wages also increased by £25,933 which was due to the impact of changes in the minimum wage and the sharp rises in inflation. Room rental has still not recovered to pre-pandemic levels. A key focus area for further income generation should be improving occupancy. Until now the organisation has made the decision to absorb as much as possible the increases in energy, food and general maintenance costs so as to minimise impact on Hall users. Room rental costs were frozen for 2023 and the café has not put up its prices. However, this will need to be reviewed in the next financial year.

7) RESERVES POLICY

The charity's reserves policy is to hold, if possible, reserves equivalent to six months expenditure.

.....
Andy B Rhodes
Chair

6 September 2023

.....
Michael L Welbourne
Treasurer

6 September 2023

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
FEARON COMMUNITY ASSOCIATION LIMITED**

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2023 which are set out on pages 6 to 13.

Responsibilities and Basis of Report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirement 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 company's accounts as carried out under section 145 of the Charities 2011 Act ('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

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 that in any material respect:

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 requirement 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.

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 R Gradon MA FCA
Cound & Co LLP
Chartered Accountants
1 Princes Court
Royal Way
Loughborough
Leics
LE11 5XR

6 September 2023

FEARON COMMUNITY ASSOCIATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted Funds <u>2023</u>	Unrestricted Funds <u>2022</u>
INCOME FROM:	<u>Notes</u>		
<u>Generated Funds</u>			
Activities for generating funds	2	80124	67546
Investment Income	3	208	15
<u>Charitable Activities</u>			
Miscellaneous Income		1242	1449
Cafe Income		44322	19920
Council Grants	4a	44024	46489
Fundraising Events		4195	-
Other Grants	4b	111638	85603
Donations		1187	-
		-----	-----
TOTAL INCOME		£286940	£221022
		=====	=====
EXPENDITURE:			
<u>Charitable Activities</u>			
Cafe Expenses & Wages	5	60559	34666
Fundraising Event Expenses		2380	150
Operating Costs	6	168181	146990
Pension provision adjustment	15	8	(8369)
Governance Costs	7	10003	13842
Classes and Groups expenditure		26479	16766
Pension Scheme Administration		1663	-
		-----	-----
TOTAL EXPENDITURE		£269273	£204045
		=====	=====
Net Income (Expenditure) and Net Movement in Funds		17667	16977
RECONCILIATION OF FUNDS			
TOTAL FUNDS BROUGHT FORWARD		61000	44023
		-----	-----
TOTAL FUNDS CARRIED FORWARD		£78667	£61000
		=====	=====

FEARON COMMUNITY ASSOCIATION LIMITED

BALANCE SHEET AS AT 31 MARCH 2023

	<u>Notes</u>	<u>2023</u>		<u>2022</u>	
FIXED ASSETS	10		42472		4887
CURRENT ASSETS					
Debtors	8	10800		4871	
Cash		287		2099	
Bank		51797		70616	
		<u> </u>		<u> </u>	
		62884		77586	
CREDITORS - Due within one period	9	24086	38798	17391	60195
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL NET ASSETS			81270		65082
PROVISIONS FOR LIABILITIES AND CHARGES	15		2603		4082
			<u> </u>		<u> </u>
TOTAL ASSETS LESS CURRENT LIABILITIES			£78667		£61000
			<u> </u>		<u> </u>
UNRESTRICTED FUNDS					
Accumulated Fund	13		£78667		£61000
			<u> </u>		<u> </u>

For the year ending 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts;
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

These financial statements were approved by the Board on 6 September 2023 and signed on its behalf by

.....
A B Rhodes (Chair)

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the Charities SORP (FRS102): “Accounting and Reporting by Charities, Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS102”) (effective 1 January 2015), FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective September 2015), The Charities Act 2011 and the Companies Act 2006. The disclosure requirements of section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

The Charity constitutes a public benefit under FRS102.

b) Company Status

The charity is a company limited by guarantee. The trustees of the company are named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

c) Fund Accounting

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

Restricted funds are to be used for specific purposes as laid down by the donor and expenditure which meets these criteria is charged to the fund.

d) Incoming Resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and can be quantified with reasonable accuracy.

e) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs to that category. Resources expended include attributable VAT which cannot be recovered.

f) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at a rate calculated to write off the cost of each asset over its expected useful life as follows:

Fixtures, Fittings and Equipment - 3 Year Straight line

g) Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowances for slow and obsolete moving items.

h) Pensions

The pension costs charged in the accounts represent the contributions payable by the charity during the year.

i) Foreign Currency

Currencies are translated at the conversion rate on the balance sheet date.

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2023

2	<u>ACTIVITIES FOR GENERATING FUNDS</u>	Unrestricted Funds <u>2023</u>	Unrestricted Funds <u>2022</u>
	Rents and Lease Income Comprise:		
	Room Rental Income	61890	57677
	Photocopying	1630	1615
	Classes and Groups	14847	8254
	Community Shop	1757	-
		-----	-----
		£80124	£67546
		=====	=====
3	<u>INVESTMENT INCOME</u>	<u>2023</u>	<u>2022</u>
	Bank Interest	£208	£15
		=====	=====
4a	<u>COUNCIL GRANTS</u>	Unrestricted Funds <u>2023</u>	Unrestricted Funds <u>2022</u>
	CBC - Core Grant	29727	30489
	CBC - Covid Support Grants	-	16000
	CBC – Stair Lift	7797	-
	CBC – Navigating Recovery	500	-
	LCC – Arts Group	5000	-
	LCC – Moving Together	1000	-
		-----	-----
		£44024	£46489
		=====	=====
4b	<u>OTHER GRANTS</u>	<u>2023</u>	<u>2022</u>
	Lottery Grant	100554	82594
	Peoples Health	11084	-
	Coop – Food Poverty Relief	-	1843
	Furlough Claims	-	1166
		-----	-----
		£111638	£85603
		=====	=====

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2023

5	<u>CAFE COSTS</u>	Unrestricted Funds <u>2023</u>	Unrestricted Funds <u>2022</u>
	Wages	38572	24756
	Purchases & Cleaning	21987	9910
		—	—
		£60559	£34666
		—	—
6	<u>OPERATING COSTS</u>	Unrestricted Funds <u>2023</u>	Unrestricted Funds <u>2022</u>
	Advertising & Marketing	1576	1531
	Repairs and Refurbishment	31606	25201
	Cleaning Materials & Wages	27735	20741
	Salary (Assistant Manager)	25678	24445
	Salary (Manager)	31891	27509
	Staff Pension	2400	1574
	Licences	2978	1808
	Light and Heat	12452	12176
	Insurance	5010	5536
	Water	2621	1465
	Telephone	2036	2514
	Postage and Stationery	1325	1468
	Photocopying	2125	2566
	Miscellaneous (canteen, volunteers' lunches etc)	2609	5483
	Rent	5250	2175
	Loss on Exchange	(197)	42
	Depreciation	7962	6714
	Health & Safety	1958	807
	Computer Expenses	1166	3235
		—	—
		£168181	£146990
		—	—
7	<u>GOVERNANCE COSTS</u>	<u>2023</u>	<u>2022</u>
	Accountancy	1680	1680
	Bookkeeping	5399	5144
	Legal and Professional Fees	2724	7018
		—	—
		£10003	£13842
		—	—

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2023

8	<u>DEBTORS</u>	<u>2023</u>	<u>2022</u>
	Hiring of Hall	956	2344
	Prepayments	9844	2527
		-----	-----
		£10800	£4871
		=====	=====
9	<u>CREDITORS</u> - Amounts falling due within one year	<u>2023</u>	<u>2022</u>
	Room Hire in Advance	1810	1653
	Accruals	8152	3316
	Other Creditors	14124	12422
		-----	-----
		£24086	£17391
		=====	=====

10 FIXED ASSETS

a) Leasehold Property

Fearon Hall is owned by the PCC of All Saints with Holy Trinity with the Leicester Diocesan Board of Finance.

Under a lease agreement dated 9 July 2021 the hall is let to Fearon Community Association Ltd for 25 years at the following rent: -

Year 1:	£3,000
Year 2:	£6,000
Year 3:	£9,000

From Year 4 onwards the rent is increased in line with the Retail Price Index.

Any property refurbishments are written off in full in the year.

b) Tangible Fixed Assets

	<u>Fixtures Fittings & Equipment</u>	<u>Total</u>
Cost at 1 April 2022	23278	23278
Additions in Year	45547	45547
Disposals in Year	--	-
	-----	-----
At 31 March 2023	£68825	£68825
	=====	=====
<u>Depreciation</u>		
At 1 April 2022	18391	18391
Charge for the Year	7962	7962
	-----	-----
At 31 March 2023	£26353	£26353
	=====	=====
Net Book Value at 31 March 2023	£42472	£42472
	=====	=====
Net Book Value at 31 March 2022	£4887	£4887
	=====	=====

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2023

11 TRUSTEES REMUNERATION & RELATED PARTY TRANSACTIONS

M L Welbourne is a director of Coalraven Ltd, which provided bookkeeping services to the charity. None of the other trustees received any fees or expense payments.

12	<u>STAFF COSTS</u>		<u>2023</u>	<u>2022</u>
	Salaries		112653	88259
	Pension Costs		2400	1574
			-----	-----
			£115053	£89833
			=====	=====
	Average number of full time equivalent employees		7	7
			-----	-----
	No. of staff earning over £60000 per annum		-	-
			-----	-----

13 STATEMENT OF FUNDS

		At 31 March 2022				At 31 March 2023
		<u>B/Fwd</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>C/Fwd</u>
	Unrestricted Funds	£61000	286940	269273	-	78667
		-----	-----	-----	-----	-----

14 CONTROL

The Charity is controlled by its Members.

15 THE PENSIONS TRUST – THE GROWTH PLAN

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2023

Deficit Contributions

From 1 April 2022 to 31 January 2025: £3,312,000 per annum (payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit Contributions

From 1 April 2019 to 30 September 2025: £12,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION

	31 March 2023 (£s)	31 March 2022 (£s)	31 March 2021 (£s)
Present value of provision	2,603	4,082	16,669

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2023 (£s)	Period Ending 31 March 2022 (£s)
Provision at start of period	4,082	16,669
Unwinding of the discount factor (interest expense)	78	96
Deficit contribution paid	(1,487)	(4,218)
Remeasurements - impact of any change in assumptions	(70)	(94)
Remeasurements - amendments to the contribution schedule	-	(8,371)
Provision at end of period	2,603	4,082

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2023

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2023 (£s)	Period Ending 31 March 2022 (£s)
Interest expense	78	96
Remeasurements – impact of any change in assumptions	(70)	(94)
Remeasurements – amendments to the contribution schedule	-	(8,371)
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

*includes defined contribution schemes and future service contributions (ie excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

ASSUMPTIONS

	31 March 2023 % per annum	31 March 2022 % per annum	31 March 2021 % per annum
Rate of discount	5.52	2.35	0.66

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details and deficit contributions agreed between the company and the scheme at each year end period:

Year ending	31 March 2023	31 March 2022	31 March 2021
Year 1	1,487	1,487	4,218
Year 2	1,239	1,487	4,345
Year 3	-	1,239	4,475
Year 4			3,841
Year 5			
Year 6			

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account ie the unwinding of the discount rate as a finance cost in the period in which it arises.

Our Ref: DRG/LFEA 001

PRIVATE & CONFIDENTIAL

Mrs M Bezzano-Griffiths
Fearon Community Association Limited
Rectory Road
Loughborough
Leics
LE11 1PL

7 June 2022

Dear Meg

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

I have pleasure in enclosing: -

- a) your bound copy
- b) the Registrar's copy.

I have emailed you an electronic copy of the accounts and I will file this online with the Charity Commission.

We do not need to file the 2022 or 2023 accounts with HMRC.

Finally, I enclose a note of our fees for your kind attention in due course.

Yours sincerely

D R Gradon MA FCA
For Cound & Co LLP

Our ref: DRG/LFEA 001
Your ref: 6852232

*

Companies House
Crown Way
Maindy
Cardiff
CF14 3UZ

Dear Sir

FEARON COMMUNITY ASSOCIATION LIMITED

We enclose the accounts in respect of the above for the year ended 31 March 201*.

Yours sincerely

D R Gradon
For Cound & Co LLP

FEARON COMMUNITY ASSOCIATION LIMITED

England & Wales - Charity number 1130457

Accounts

FEARON COMMUNITY ASSOCIATION LTD

(A COMPANY LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Company Number: 6852232

Charity Number: 1130457

**Cound & Co LLP
Chartered Accountants
1 Princes Court
Royal Way
Loughborough
Leics LE11 5XR**

Tel: 01509 214163

FEARON COMMUNITY ASSOCIATION LIMITED

TRUSTEES ANNUAL REPORT

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2022.

1) REFERENCE AND ADMINISTRATIVE DETAILS

a) REGISTERED CHARITY NUMBER

1130457

b) COMPANY NUMBER

6852232

c) REGISTERED OFFICE

Fearon Hall
Rectory Road
Loughborough
Leics, LE11 1PL

d) BANKERS

Metro Bank
One Southampton Row
London
WC1B 5HA

e) SOLICITORS

Moss Solicitors LLP
80-81 Woodgate
Loughborough
LE11 XE

f) ACCOUNTANTS AND INDEPENDENT EXAMINERS

Cound & Co LLP
1 Princes Court
Royal Way
Loughborough
Leics, LE11 5XR

DIRECTORS AND TRUSTEES

The directors of the charitable company (the charity) are its trustees for the purpose of the charity law and throughout this report are collectively referred to as the trustees.

The trustees who served during the period were as follows:

R E Thorpe
M L Welbourne
A B Rhodes
S Modi
R M M Cant
G L Thomson
M Charlesworth

FEARON COMMUNITY ASSOCIATION LIMITED

TRUSTEES ANNUAL REPORT

2) OBJECTIVES AND ACTIVITIES

The Memorandum of Association dated 19 March 2009 states that the objects of the charity are to provide educational, social and recreational facilities for people living in the North East area of Loughborough and to maintain and run the building known as the Fearon Hall as a centre offering such opportunities.

The Association's income comprises grants from local authorities, rental income from the hire of the Hall's function rooms and the sale of lunches.

3) STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Fearon Community Association Ltd is a company limited by guarantee governed by its Memorandum and Articles of Association dated 19 March 2009. It is a charity registered with the Charity Commission. Membership is open to any affiliated group using the community centre, each of whom agree to contribute up to £10 in the event of the charity being wound up.

Appointment of Trustees

As set out in the Articles of Association, the Association has a minimum of three trustees and it is not subject to a maximum number. One trustee retires in rotation at each Annual General Meeting, but may be re-appointed. Members are invited to nominate trustees prior to the AGM.

Trustee Induction and Training

New trustees are advised of their obligations under charity and company law, the content of the Memorandum and Articles of Association as well as the structure and decision making process of the committee.

Public Benefit

The trustees have had regard to the guidance published by the Charities Commission in respect of public benefit when exercising any powers or duties to which the guidance is relevant.

4) RISK MANAGEMENT

The management committee confirms that the major risks to which the charity is exposed have been reviewed and systems have been established to mitigate those risks.

- (a) The properties are properly insured and well maintained.
- (b) Staff are properly trained in the care of children and in Health and Safety procedures.
- (c) All significant bank transactions have to be authorised by two trustees or senior employees.

5) ACHIEVEMENTS AND PERFORMANCE

The beginning of the financial year saw the UK still in partial lockdown and whilst a phased easing of the rules had begun, it was not until February 2022 when the government issued its 'Living with Covid' guidance and all restrictions came to an end.

Our decision last year to keep the Association running during the Pandemic and the Hall open at every opportunity, despite the ever-shifting rules, has allowed us to hit the ground running as restrictions eased, and our community began to feel confident enough to return to the 'new' normal.

Now more than ever it seems, is the need for us to provide the services needed in line with our strategic aims - support for families, reducing loneliness and isolation, tackling physical and mental health issues and improving confidence and self-esteem in those that find themselves particularly vulnerable in this post-pandemic period.

FEARON COMMUNITY ASSOCIATION LIMITED

TRUSTEES ANNUAL REPORT

5) ACHIEVEMENTS AND PERFORMANCE (continued)

I am extremely proud of the way that our team at the Hall (staff and volunteers alike) have adapted to the circumstances and continue to deliver a varied yet relevant programme of activities - re-establishing old favourites and introducing new initiatives with a focus on a revived café, an exciting community arts programme and an introductory counselling offering.

We are delighted that The National Lottery Community Fund has recognised the vital role we play. Thanks to the generosity of the National Lottery, we will be able to continue to develop the range of activities and opportunities we provide and stay relevant to the needs of our modern society.

While this significant five-year funding is a blessing, it also comes with a great responsibility - ensuring the money is spent in the most effective way and achieving the best outcomes.

However, this funding, along with the continued support from Charnwood Borough Council through our renewed strategic partnership grant, does not mean we can rest on our financial laurels! Alongside this community delivery we have a sustained drive to generate income through bookings, room hire and fundraising events. It is extremely positive to see that the improvements to the Hall during lockdown are now paying dividends through an increase in bookings. All of this income is reinvested back into the Association in order to deliver our community benefit from the Hall so I must take this opportunity to thank all of you who pay to use the Hall through room hire, attending events and using our café.

There is still much work to do. As the number of visitors to the Hall increases we have a balancing act to perform - to continue to deliver our charitable aims with the responsibility of running a financially viable business.

With the invaluable support of our financial partners and our incredible team, I am confident the Association will rise to the challenge.

6) FINANCIAL REVIEW

With the post-pandemic gradual reopening over this reporting period it is encouraging to see that revenue from activities in the Hall rebounded with some strength. However this coincided with an increase in expenditure in line with the return of a full opening. We will need to carefully manage this transition to a busier centre as we move towards our long-term goal of being financially viable without grant income.

Although overall income is down this year this is mainly due to the level of Covid support grants and the kitchen refurbishment grants in 2020-21. However revenues from Hall activities rebounded really well with room hire back up by just over £40,000, café takings up by over £18,000 and events and activities income back up by over £8,000.

We have seen associated costs increase in line with the return of regular activities such as cleaning costs up by £4,949, café costs and wages up by £22,482, volunteer expenses up by £1,407, computers/IT photocopying and telephone costs up by £4,359. Electricity and gas costs increased by £3,519 which is a combination of increased usage and increased prices.

Repairs and maintenance saw a significant drop of £43,981 due to the previous year including the kitchen refurbishment, but this still does remain a significant cost of £25,201. This does mean that much of the Hall has now seen highly overdue improvements and redecoration, but the schedule of future improvements will continue for the next couple of years or so.

Along with a beneficial revaluation to our pension scheme deficit of £8,371 the above variances resulted in a surplus for the year of £16,977. The coming year and the next few years beyond will still be challenging as the Association tries to meet its obligations to serve the community and to generate sufficient income to pay staff and overhead costs.

FEARON COMMUNITY ASSOCIATION LIMITED

TRUSTEES ANNUAL REPORT

7) RESERVES POLICY

The charity's reserves policy is to hold, if possible, reserves equivalent to six months expenditure.

.....
A B Rhodes
Chair

.....
M L Welbourne
Treasurer

1 June 2022

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
FEARON COMMUNITY ASSOCIATION LIMITED**

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2022 which are set out on pages 6 to 13.

Responsibilities and Basis of Report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirement 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 company's accounts as carried out under section 145 of the Charities 2011 Act ('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

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 that in any material respect:

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 requirement 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.

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 R Gradon MA FCA
Cound & Co LLP
Chartered Accountants
1 Princes Court
Royal Way
Loughborough
Leics
LE11 5XR

1 June 2022

FEARON COMMUNITY ASSOCIATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted Funds <u>2022</u>	Unrestricted Funds <u>2021</u>
INCOME FROM:	<u>Notes</u>		
<u>Generated Funds</u>			
Activities for generating funds	2	67546	17016
Investment Income	3	15	46
<u>Charitable Activities</u>			
Miscellaneous Income		1449	1500
Cafe Income		19920	1806
Council Grants	4a	46489	93071
Fundraising Events		-	964
Other Grants	4b	85603	127931
Donations		-	5574
		-----	-----
TOTAL INCOME		£221022	£247908
		=====	=====
EXPENDITURE:			
<u>Charitable Activities</u>			
Cafe Expenses & Wages	5	34666	12184
Fundraising Event Expenses		150	120
Operating Costs	6	146990	167737
Pension provision adjustment	15	(8369)	1014
Governance Costs	7	13842	13447
Classes and Groups expenditure		16766	7749
		-----	-----
TOTAL EXPENDITURE		£204045	£202251
		=====	=====
Net Income (Expenditure) and Net Movement in Funds		16977	45657
RECONCILIATION OF FUNDS			
TOTAL FUNDS BROUGHT FORWARD		44023	(1634)
		-----	-----
TOTAL FUNDS CARRIED FORWARD		£61000	£44023
		=====	=====

FEARON COMMUNITY ASSOCIATION LIMITED

BALANCE SHEET AS AT 31 MARCH 2022

	<u>Notes</u>	<u>2022</u>		<u>2021</u>	
FIXED ASSETS	10		4887		11601
CURRENT ASSETS					
Debtors	8	4871		6757	
Cash		2099		323	
Bank		70616		51242	
		————		————	
		77586		58322	
CREDITORS - Due within one period	9	17391	60195	9231	49091
		————	————	————	————
TOTAL NET ASSETS			65082		60692
PROVISIONS FOR LIABILITIES AND CHARGES	15		4082		16669
			————		————
TOTAL ASSETS LESS CURRENT LIABILITIES			£61000		£44023
			=====		=====
UNRESTRICTED FUNDS					
Accumulated Fund	13		£61000		£44023
			————		————

For the year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts;
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

These financial statements were approved by the Board on 1 June 2022 and signed on its behalf by

.....

A B Rhodes (Chair)

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2022

1 ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the Charities SORP (FRS102): “Accounting and Reporting by Charities, Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS102”) (effective 1 January 2015), FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective September 2015), The Charities Act 2011 and the Companies Act 2006. The disclosure requirements of section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

The Charity constitutes a public benefit under FRS102.

b) Company Status

The charity is a company limited by guarantee. The trustees of the company are named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

c) Fund Accounting

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

Restricted funds are to be used for specific purposes as laid down by the donor and expenditure which meets these criteria is charged to the fund.

d) Incoming Resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and can be quantified with reasonable accuracy.

e) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs to that category. Resources expended include attributable VAT which cannot be recovered.

f) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at a rate calculated to write off the cost of each asset over its expected useful life as follows:

Fixtures, Fittings and Equipment - 3 Year Straight line

g) Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowances for slow and obsolete moving items.

h) Pensions

The pension costs charged in the accounts represent the contributions payable by the charity during the year.

i) Foreign Currency

Currencies are translated at the conversion rate on the balance sheet date.

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2022

2	<u>ACTIVITIES FOR GENERATING FUNDS</u>	Unrestricted Funds 2022	Unrestricted Funds 2021
	Rents and Lease Income Comprise:		
	Room Rental Income	57677	16883
	Photocopying	1615	105
	Classes and Groups	8254	28
		=====	=====
		£67546	£17016
		=====	=====
3	<u>INVESTMENT INCOME</u>	2022	2021
	Bank Interest	£15	£46
		=====	=====
4a	<u>COUNCIL GRANTS</u>	Unrestricted Funds 2022	Unrestricted Funds 2021
	CBC - Core Grant	30489	30489
	CBC - Covid support Grants	16000	28310
	CBC - Local Restriction Support Grant	-	12500
	LCC – Communities Fund Grant	-	11955
	LCC – Tackling Inequalities Fund	-	9817
		=====	=====
		£46489	£93071
		=====	=====
4b	<u>OTHER GRANTS</u>	2022	2021
	Lottery Grant	82594	70000
	Kitchen Refurbishment	-	44784
	Activities Coordinator	-	2500
	Coop – Food Poverty Relief	1843	-
	Furlough Claims	1166	10647
		=====	=====
		£85603	£127931
		=====	=====

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2022

5	<u>CAFE COSTS</u>	Unrestricted Funds <u>2022</u>	Unrestricted Funds <u>2021</u>
	Wages	24756	9829
	Purchases & Cleaning	9910	2355
		—	—
		£34666	£12184
		—	—
6	<u>OPERATING COSTS</u>	Unrestricted Funds <u>2022</u>	Unrestricted Funds <u>2021</u>
	Advertising & Marketing	1531	-
	Repairs and Refurbishment	25201	69182
	Cleaning Materials & Wages	20741	15792
	Salaries	24445	23088
	Staff Pension	1574	1407
	Licences	1808	1566
	Light and Heat	12176	8657
	Insurance	5536	4562
	Water	1465	1475
	Telephone	2514	1272
	Postage and Stationery	1468	1731
	Photocopying	2566	921
	Miscellaneous (canteen, volunteers' lunches etc)	5483	3290
	Rent	2175	1
	Loss on Exchange	42	190
	Depreciation	6714	5115
	Bad Debt (Recovered)	-	150
	Hall Management Fees	27509	27500
	Training	807	75
	Computer Expenses	3235	1763
		—	—
		£146990	£167737
		—	—
7	<u>GOVERNANCE COSTS</u>	<u>2022</u>	<u>2021</u>
	Accountancy	1680	1513
	Bookkeeping	5144	4094
	Legal and Professional Fees	7018	7840
		—	—
		£13842	£13447
		—	—

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2022

8	<u>DEBTORS</u>	<u>2022</u>	<u>2021</u>
	Hiring of Hall	2344	4437
	Prepayments	2527	1457
	Other Debtors	-	863
		-----	-----
		£4871	£6757
		=====	=====

9	<u>CREDITORS</u> - Amounts falling due within one year	<u>2022</u>	<u>2021</u>
	Room Hire in Advance	1653	1666
	Accruals	3316	3075
	Suppliers	-	2251
	Other Creditors	12422	2239
		-----	-----
		£17391	£9231
		=====	=====

10 FIXED ASSETS

a) Leasehold Property

Fearon Hall is owned by the PCC of All Saints with Holy Trinity with the Leicester Diocesan Board of Finance.

Under a lease agreement dated 9 July 2021 the hall is let to Fearon Community Association Ltd for 25 years at the following rent: -

Year 1:	£3,000
Year 2:	£6,000
Year 3:	£9,000

From Year 4 onwards the rent is increased in line with the Retail Price Index.

Any property refurbishments are written off in full in the year.

b) Tangible Fixed Assets

	<u>Fixtures Fittings & Equipment</u>	<u>Total</u>
Cost at 1 April 2021	23278	23278
Additions in Year	-	-
Disposals in Year	--	-
	-----	-----
At 31 March 2022	£23278	£23278
	=====	=====
<u>Depreciation</u>		
At 1 April 2021	11677	11677
Charge for the Year	6714	6714
	-----	-----
At 31 March 2022	£18391	£18391
	=====	=====
Net Book Value at 31 March 2022	£4887	£4887
	=====	=====
Net Book Value at 31 March 2021	£11601	£11601
	=====	=====

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2022

11 TRUSTEES REMUNERATION & RELATED PARTY TRANSACTIONS

M L Welbourne is a director of Coalraven Ltd, which provided bookkeeping services to the charity. None of the other trustees received any fees or expense payments.

12	<u>STAFF COSTS</u>		<u>2022</u>	<u>2021</u>
	Salaries		88259	71539
	Pension Costs		1574	1407
			-----	-----
			£89833	£72946
			=====	=====
	Average number of full time equivalent employees		5	5
			-----	-----
	No. of staff earning over £60000 per annum		-	-
			-----	-----

13	<u>STATEMENT OF FUNDS</u>	At 31 March 2021				At 31 March 2022
		<u>B/Fwd</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>C/Fwd</u>
	Unrestricted Funds	£44023	221022	204045	-	61000
		-----	-----	-----	-----	-----

14 CONTROL

The Charity is controlled by its Members.

15 THE PENSIONS TRUST – THE GROWTH PLAN

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £795m, liabilities of £926m and a deficit of £131m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2021

Deficit Contributions

From 1 April 2019 to 31 January 2025: £11,243,000 per annum
(payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies. Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit Contributions

From 1 April 2016 to 30 September 2025: £12,945,440 per annum
(payable monthly and increasing by 3% each on 1st April)

From 1 April 2016 to 30 September 2028: £54,560 per annum
(payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION

	31 March 2022 (£s)	31 March 2021 (£s)	31 March 2020 (£s)
Present value of provision	4082	16669	19750

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2022 (£s)	Period Ending 31 March 2021 (£s)
Provision at start of period	16669	19750
Unwinding of the discount factor (interest expense)	96	444
Deficit contribution paid	(4218)	(4095)
Remeasurements - impact of any change in assumptions	(94)	570
Remeasurements - amendments to the contribution schedule	(8371)	-
Provision at end of period	4082	16669

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2021

The following schedule details and deficit contributions agreed between the company and the scheme at each year end period:

Year ending	31 March 2022	31 March 2021	31 March 2020
Year 1	1487	4218	4095
Year 2	1487	4345	4218
Year 3	1239	4475	4345
Year 4		3841	4475
Year 5			3841
Year 6			
Year 7			
Year 8			
Year 9			
Year 10			

FEARON COMMUNITY ASSOCIATION LIMITED

England & Wales - Charity number 1130457

Accounts

FEARON COMMUNITY ASSOCIATION LTD

(A COMPANY LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Company Number : 6852232

Charity Number: 1130457

**Cound & Co LLP
Chartered Accountants
1 Princes Court
Royal Way
Loughborough
Leics LE11 5XR**

Tel: 01509 214163

FEARON COMMUNITY ASSOCIATION LIMITED

TRUSTEES ANNUAL REPORT

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2021.

1) REFERENCE AND ADMINISTRATIVE DETAILS

a) REGISTERED CHARITY NUMBER

1130457

b) COMPANY NUMBER

6852232

c) REGISTERED OFFICE

Fearon Hall
Rectory Road
Loughborough
Leics, LE11 1PL

d) BANKERS

Metro Bank
One Southampton Row
London
WC1B 5HA

e) SOLICITORS

Moss Solicitors LLP
80-81 Woodgate
Loughborough
LE11 XE

f) ACCOUNTANTS AND INDEPENDENT EXAMINERS

Cound & Co LLP
1 Princes Court
Royal Way
Loughborough
Leics, LE11 5XR

DIRECTORS AND TRUSTEES

The directors of the charitable company (the charity) are its trustees for the purpose of the charity law and throughout this report are collectively referred to as the trustees.

The trustees who served during the period were as follows:

R E Thorpe
M L Welbourne
A B Rhodes
Dr C E Tello
R M M Cant (appointed 8/9/20)
G L Thomson (appointed 8/9/20)
M Charlesworth (appointed 8/9/20)

FEARON COMMUNITY ASSOCIATION LIMITED

TRUSTEES ANNUAL REPORT

2) OBJECTIVES AND ACTIVITIES

The Memorandum of Association dated 19 March 2009 states that the objects of the charity are to provide educational, social and recreational facilities for people living in the North East area of Loughborough and to maintain and run the building known as the Fearon Hall as a centre offering such opportunities.

The Association's income comprises grants from local authorities, rental income from the hire of the Hall's function rooms and the sale of lunches.

3) STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Fearon Community Association Ltd is a company limited by guarantee governed by its Memorandum and Articles of Association dated 19 March 2009. It is a charity registered with the Charity Commission. Membership is open to any affiliated group using the community centre, each of whom agree to contribute up to £10 in the event of the charity being wound up.

Appointment of Trustees

As set out in the Articles of Association, the Association has a minimum of three trustees and it is not subject to a maximum number. One trustee retires in rotation at each Annual General Meeting, but may be re-appointed. Members are invited to nominate trustees prior to the AGM.

Trustee Induction and Training

New trustees are advised of their obligations under charity and company law, the content of the Memorandum and Articles of Association as well as the structure and decision making process of the committee.

Public Benefit

The trustees have had regard to the guidance published by the Charities Commission in respect of public benefit when exercising any powers or duties to which the guidance is relevant.

4) RISK MANAGEMENT

The management committee confirms that the major risks to which the charity is exposed have been reviewed and systems have been established to mitigate those risks.

- (a) The properties are properly insured and well maintained.
- (b) Staff are properly trained in the care of children and in Health and Safety procedures.
- (c) All significant bank transactions have to be authorised by two trustees or senior employees.

5) ACHIEVEMENTS AND PERFORMANCE

Like all organisations, Covid has dominated our year. As we negotiated through the early stages of the pandemic we saw our income drop by 80% overnight when we were all forced into lockdown on the 23 March.

As Fearon Community Association (FCA) exists to support people in our area, we made the decision to continue to do just that, rather than close entirely due to the impact on our finances. In hindsight it was a brave decision to have taken - to keep our service delivery going whilst trying to navigate the fast changing rules and legislation of this new Covid world. As a Board we then agreed to review the financial situation after four months to see if we could afford to continue to support our community moving forward.

FEARON COMMUNITY ASSOCIATION LIMITED

TRUSTEES ANNUAL REPORT

5) ACHIEVEMENTS AND PERFORMANCE (continued)

Our decision was proven right.

Whilst our Centre Manager's time was diverted to supporting the wider Charnwood Community Action response, closer to home, our Activities and Bookings Manager worked tirelessly to adapt how we support our local residents and regular Hall users within a Covid-secure framework. Between March and June, more than 400 welfare calls were made which covered a diverse range of issues from helping a victim of online fraud to offering advice on how to make Yorkshire puddings rise! Large issues or small, I know what a difference this regular support has made to the lives of our local people in this unprecedented year. You can see from the stories on our website and 'Our Covid Year' timeline in this report more about what we have achieved.

Funding from a range of providers has enabled us to cover core running costs, increased cleaning and the wages of the Centre Manager and the Activities and Bookings Manager including making this role full-time to reflect the increased workload. These roles have been vital in ensuring we were able to keep delivering for the entirety of lockdown - all be it virtually when we were physically not able to open our doors - and be able to hit the ground running when Government restrictions were lifted. It has been great to welcome friends old and new back into the Hall.

Time has been taken to focus on our recovery with strong financial planning aimed at increasing room bookings to enable us to continue to deliver community benefit. Improvements to our wonderful building have also been made so that the user experience has been improved.

I am proud to announce security in the building for the next 25 years through the successful negotiation of the lease with the Leicester Diocesan Board of Finance and All Saints with Holy Trinity, and we are also delighted to welcome Charnwood Arts who are now officially making the Hall their home.

As we move into the next year with the security of the National Lottery funding behind us, we are also taking time to reflect on our strategic governance and reviewing our effectiveness as a board to take on the challenges arising from Covid recovery. We remain fully committed to keeping Fearon Hall at the heart of our community as we face the long-term impact of this difficult year on our users' well-being.

6) FINANCIAL REVIEW

The year to March 2021 was certainly an unusual one. When the realities of Covid started to become clear there were some initial concerns about how things would go for FCA. At that early stage there were enough resources to keep things going and offer services to the community for at least four months so the decision was taken to do exactly that. Very soon after that help from the government and local councils was made available and, along with National Lottery, the grants income across the year has been the most significant area on which to report.

The National Lottery awarded £70,000 for Covid funding, furlough claims totalled £10,647, Leicestershire County Council awarded £11,955 from its Communities Fund, and Charnwood Borough Council awarded £40,809 across a number of business support grants.

And along with the Strategic Partnership Grant of £30,489 Charnwood Borough Council also awarded a grant of £19,734 as match funding for the new kitchen. £25,050 of grants for the kitchen had been received in previous years and these were released into the accounts this year.

Due to lockdowns and other restrictions throughout the year income from other activities fell sharply. However, demand for the services offered has never been better and we expect to see income return to pre-Covid levels very quickly in the coming year.

Most overheads and running costs were reduced in the year compared to the previous year due to fewer activities. The only major increases were some legal costs regarding lease negotiations, the kitchen refurbishment costs, and an increase in wages due to making the part-time Activities Coordinator role into a full-time Activities and Bookings Manager role with Assistant Manager responsibilities.

FEARON COMMUNITY ASSOCIATION LIMITED

TRUSTEES ANNUAL REPORT

7) RESERVES POLICY

The charity's reserves policy is to hold, if possible, reserves equivalent to six months expenditure.

.....

Andy Rhodes
Chair

.....

Michael Welbourne
Treasurer

10 June 2021

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
FEARON COMMUNITY ASSOCIATION LIMITED**

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2021 which are set out on pages 6 to 13.

Responsibilities and Basis of Report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirement 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 company's accounts as carried out under section 145 of the Charities 2011 Act ('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

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 that in any material respect:

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 requirement 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.

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 R Gradon MA FCA
Cound & Co LLP
Chartered Accountants
1 Princes Court
Royal Way
Loughborough
Leics
LE11 5XR

10 June 2021

FEARON COMMUNITY ASSOCIATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted Funds <u>2021</u>	Unrestricted Funds <u>2020</u>
INCOME FROM:	<u>Notes</u>		
<u>Generated Funds</u>			
Activities for generating funds	2	17016	68878
Investment Income	3	46	58
<u>Charitable Activities</u>			
Miscellaneous Income		1500	1627
Cafe Income		1806	21236
Council Grants	4a	93071	30489
Fundraising Events		964	3615
Other Grants	4b	127931	7819
Donations		5574	-
		-----	-----
TOTAL INCOME		£247908	£133722
		=====	=====
EXPENDITURE:			
<u>Charitable Activities</u>			
Cafe Expenses & Wages	5	12184	16512
Fundraising Event Expenses		120	2334
Operating Costs	6	167737	100312
Pension provision adjustment	15	1014	(232)
Governance Costs	7	13447	6636
Classes and Groups expenditure		7749	3720
		-----	-----
TOTAL EXPENDITURE		202251	129282
		=====	=====
Net Income (Expenditure) and Net Movement in Funds		45657	4440
RECONCILIATION OF FUNDS			
TOTAL FUNDS BROUGHT FORWARD		(1634)	(6074)
		-----	-----
TOTAL FUNDS CARRIED FORWARD		£44023	£(1634)
		=====	=====

FEARON COMMUNITY ASSOCIATION LIMITED

BALANCE SHEET AS AT 31 MARCH 2021

	<u>Notes</u>	<u>2021</u>		<u>2020</u>	
FIXED ASSETS	10		11601		7990
CURRENT ASSETS					
Debtors	8	6757		9468	
Cash		323		770	
Bank		51242		34540	
		————		————	
		58322		44778	
CREDITORS - Due within one period	9	9231	49091	34652	10126
		————	————	————	————
TOTAL NET ASSETS			60692		18116
PROVISIONS FOR LIABILITIES AND CHARGES	15		16669		19750
			————		————
TOTAL ASSETS LESS CURRENT LIABILITIES			£44023		£(1634)
			=====		=====
UNRESTRICTED FUNDS					
Accumulated Fund	13		£44023		£(1634)
			=====		=====

For the year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts;
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

These financial statements were approved by the Board on 10 June 2021 and signed on its behalf by

.....

R E Thorpe (Trustee)

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2021

1 ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the Charities SORP (FRS102): “Accounting and Reporting by Charities, Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS102”) (effective 1 January 2015), FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective September 2015), The Charities Act 2011 and the Companies Act 2006. The disclosure requirements of section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

The Charity constitutes a public benefit under FRS102.

b) Company Status

The charity is a company limited by guarantee. The trustees of the company are named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

c) Fund Accounting

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

Restricted funds are to be used for specific purposes as laid down by the donor and expenditure which meets these criteria is charged to the fund.

d) Incoming Resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and can be quantified with reasonable accuracy.

e) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs to that category. Resources expended include attributable VAT which cannot be recovered.

f) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at a rate calculated to write off the cost of each asset over its expected useful life as follows:

Fixtures, Fittings and Equipment - 3 Year Straight line

g) Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowances for slow and obsolete moving items.

h) Pensions

The pension costs charged in the accounts represent the contributions payable by the charity during the year.

i) Foreign Currency

Currencies are translated at the conversion rate on the balance sheet date.

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2021

2	<u>ACTIVITIES FOR GENERATING FUNDS</u>	Unrestricted Funds <u>2021</u>	Unrestricted Funds <u>2020</u>
	Rents and Lease Income Comprise:		
	Room Rental Income	16883	66376
	Photocopying	105	960
	Classes and Groups	28	1542
		—	—
		£17016	£68878
		=====	=====
3	<u>INVESTMENT INCOME</u>	<u>2021</u>	<u>2020</u>
	Bank Interest	£46	£58
		=====	=====
4a	<u>COUNCIL GRANTS</u>	Unrestricted Funds <u>2021</u>	Unrestricted Funds <u>2020</u>
	CBC - Core Grant	30489	30489
	CBC - Covid support Grants	28310	-
	CBC - Local Restriction Support Grant	12500	-
	LCC – Communities Fund Grant	11955	-
	LCC – Tackling Inequalities Fund	9817	-
		—	—
		£93071	£30489
		=====	=====
4b	<u>OTHER GRANTS</u>	<u>2021</u>	<u>2020</u>
	Lottery Grant	70000	-
	Kitchen Refurbishment	44784	-
	Activities Coordinator	2500	7500
	Upcycle Your Life	-	319
	Furlough Claims	10647	-
		—	—
		£127931	£7819
		=====	=====

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2021

5	<u>CAFE COSTS</u>	Unrestricted Funds <u>2021</u>	Unrestricted Funds <u>2020</u>
	Wages	9829	10892
	Purchases & Cleaning	2355	5620
		<hr/>	<hr/>
		£12184	£16512
		<hr/>	<hr/>
6	<u>OPERATING COSTS</u>	Unrestricted Funds <u>2021</u>	Unrestricted Funds <u>2020</u>
	Advertising & Marketing	-	100
	Repairs and Refurbishment	69182	15957
	Cleaning Materials & Wages	15792	7692
	Salaries	23088	16143
	Staff Pension	1407	970
	Licences	1566	2097
	Light and Heat	8657	9914
	Insurance	4562	5112
	Water	1475	2136
	Telephone	1272	950
	Postage and Stationery	1731	1025
	Photocopying	921	2602
	Bank Charges	-	248
	Miscellaneous (canteen, volunteers' lunches etc)	3290	4781
	Rent	1	1
	Loss on Exchange	190	(136)
	Depreciation	5115	1232
	Bad Debt (Recovered	150	1506
	Hall Management Fees	27500	24833
	Training	75	224
	Computer Expenses	1763	1598
	Loss on Disposal of Assets	-	1327
		<hr/>	<hr/>
		£167737	£100312
		<hr/>	<hr/>
7	<u>GOVERNANCE COSTS</u>	<u>2021</u>	<u>2020</u>
	Accountancy	1513	1813
	Bookkeeping	4094	4203
	Legal and Professional Fees	7840	620
		<hr/>	<hr/>
		£13447	£6636
		<hr/>	<hr/>

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2021

8	<u>DEBTORS</u>	<u>2021</u>	<u>2020</u>
	Hiring of Hall	4437	7281
	Prepayments	1457	1310
	Other Debtors	863	877
		—	—
		£6757	£9468
		=====	=====

9	<u>CREDITORS</u> - Amounts falling due within one year	<u>2020</u>	<u>2020</u>
	Room Hire in Advance	1666	2480
	Accruals	3075	3381
	Suppliers	2251	376
	Kitchen Refurbishment Costs	0	25050
	Other Creditors	2239	3365
		—	—
		£9231	£34652
		=====	=====

10 FIXED ASSETS

a) Leasehold Property

Fearon Hall is owned by the PCC of All Saints with Holy Trinity with the Leicester Diocesan Board of Finance.

Under a lease agreement dated 29th March 2018 the hall is let to Fearon Community Association Ltd for a nominal rent of £1 for a period of three years.

Any property refurbishments are written off in full in the year.

b) Tangible Fixed Assets

	<u>Fixtures Fittings & Equipment</u>	<u>Total</u>
Cost at 1 April 2020	14552	14552
Additions in Year	8726	8726
Disposals in Year	(0)	0
	—	—
At 31 March 2021	£23278	£23278
	=====	=====
<u>Depreciation</u>		
At 1 April 2020	6562	6562
Charge for the Year	5115	5115
Eliminated on disposal	(0)	0
	—	—
At 31 March 2021	£11667	£11667
	=====	=====
Net Book Value At 31 March 2021	£11601	£11601
	=====	=====
Net Book Value at 31 March 2020	£7990	£7990
	=====	=====

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2021

11 TRUSTEES REMUNERATION & RELATED PARTY TRANSACTIONS

M L Welbourne is a director of Coalraven Ltd, which provided bookkeeping services to the charity. None of the other trustees received any fees or expense payments.

12	<u>STAFF COSTS</u>	<u>2021</u>	<u>2020</u>
	Salaries	71539	51868
	Pension Costs	1407	970
		-----	-----
		£72946	£52838
		=====	=====
	Average number of full time equivalent employees	5	3
		-----	-----
	No member of staff earned over £60000 per annum	-	-
		=====	=====

13 STATEMENT OF FUNDS

	At 31 March 2020 <u>B/Fwd</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	At 31 March 2021 <u>C/Fwd</u>
Unrestricted Funds	£(1634)	247908	202251	-	44022
	-----	-----	-----	-----	-----

14 CONTROL

The Charity is controlled by its Members.

15 THE PENSIONS TRUST – THE GROWTH PLAN

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £795m, liabilities of £926m and a deficit of £131m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2021

Deficit Contributions

From 1 April 2019 to 31 January 2025: £11,243,000 per annum
(payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies. Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit Contributions

From 1 April 2016 to 30 September 2025: £12,945,440 per annum
(payable monthly and increasing by 3% each on 1st April)

From 1 April 2016 to 30 September 2028: £54,560 per annum
(payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION

	31 March 2021 (£s)	31 March 2020 (£s)	31 March 2019 (£s)
Present value of provision	16669	19,750	23,958

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2021 (£s)	Period Ending 31 March 2020 (£s)
Provision at start of period	19750	23,958
Unwinding of the discount factor (interest expense)	444	304
Deficit contribution paid	(4095)	(3,976)
Remeasurements - impact of any change in assumptions	570	(536)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	16669	19750

FEARON COMMUNITY ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS – FOR THE YEAR ENDED 31 MARCH 2021

The following schedule details and deficit contributions agreed between the company and the scheme at each year end period:

Year ending	31 March 2021	31 March 2020	31 March 2019
Year 1	4218	4,095	3,976
Year 2	4345	4,218	4,095
Year 3	4475	4,345	3,218
Year 4	3841	4,475	4,345
Year 5		3,841	4,475
Year 6			3,841
Year 7			
Year 8			
Year 9			
Year 10			