

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
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 2024.

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
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

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

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.

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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
		<hr/>	<hr/>
TOTAL INCOME		£306580	£286940
		<hr/>	<hr/>
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
		<hr/>	<hr/>
TOTAL EXPENDITURE		£325959	£269273
		<hr/>	<hr/>
Net Income (Expenditure) and Net Movement in Funds		(19379)	17667
RECONCILIATION OF FUNDS			
		78667	61000
TOTAL FUNDS BROUGHT FORWARD		<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		£59288	£78667
		<hr/>	<hr/>

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
		<hr/>	<hr/>
		48365	62884
CREDITORS - Due within one period	9	16029	24086
		<hr/>	<hr/>
TOTAL NET ASSETS		60504	81270
PROVISIONS FOR LIABILITIES AND CHARGES	15	1216	2603
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		£59288	£78667
		<hr/>	<hr/>
UNRESTRICTED FUNDS			
Accumulated Fund	13	£59288	£78667
		<hr/>	<hr/>

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)

The information on pages 8 to 14 form an integral part of these financial statements.

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 2024	Unrestricted Funds 2023
	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>	2024	2023
	Bank Interest	£675	£208
		=====	=====
4a	<u>COUNCIL GRANTS</u>	Unrestricted Funds 2024	Unrestricted Funds 2023
	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>	2024	2023
	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
		<hr/>	<hr/>
		£78798	£60559
		<hr/>	<hr/>
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	-
		<hr/>	<hr/>
		£191060	£168181
		<hr/>	<hr/>
7	<u>GOVERNANCE COSTS</u>	<u>2024</u>	<u>2023</u>
	Accountancy	1740	1680
	Bookkeeping	5827	5399
	Legal and Professional Fees	2715	2924
		<hr/>	<hr/>
		£10282	£10003
		<hr/>	<hr/>

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
	<hr/>	<hr/>
	£134311	£115053
	<hr/>	<hr/>
Average number of full time equivalent employees	7	7
	<hr/>	<hr/>
No. of staff earning over £60000 per annum	-	-
	<hr/>	<hr/>

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

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)
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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)
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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.