

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 2025	Unrestricted Funds 2024
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
		<hr/>	<hr/>
TOTAL INCOME		£305104	£306580
		<hr/>	<hr/>
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
		<hr/>	<hr/>
TOTAL EXPENDITURE		£273628	£325959
		<hr/>	<hr/>
Net Income (Expenditure) and Net Movement in Funds		31476	(19379)
RECONCILIATION OF FUNDS			
		59288	78667
TOTAL FUNDS BROUGHT FORWARD		<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		£90764	£59288
		<hr/>	<hr/>

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	16029
		<u>79520</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		<u>£90764</u>	<u>£59288</u>
UNRESTRICTED FUNDS			
Accumulated Fund	13	<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
		<hr/>	<hr/>
		£98882	£80958
		<hr/>	<hr/>
3	<u>INVESTMENT INCOME</u>	<u>2025</u>	<u>2024</u>
	Bank Interest	£839	£675
		<hr/>	<hr/>
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
		<hr/>	<hr/>
		£29727	£32366
		<hr/>	<hr/>
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
		<hr/>	<hr/>
		£102288	£122603
		<hr/>	<hr/>

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
			<hr/>	<hr/>
			£79123	£78798
			<hr/>	<hr/>
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
			<hr/>	<hr/>
			£154565	£191060
			<hr/>	<hr/>
7	<u>GOVERNANCE COSTS</u>		<u>2025</u>	<u>2024</u>
	Accountancy		1770	1740
	Bookkeeping		4034	5827
	Legal and Professional Fees		2781	2715
			<hr/>	<hr/>
			£8585	£10282
			<hr/>	<hr/>

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
	<hr/>	<hr/>
	£111985	£134311
	<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 2024 <u>B/Fwd</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	At 31 March 2024 <u>C/Fwd</u>
Unrestricted Funds	£59288	305104	273628	-	£90764
	<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 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.