

Charity Registration Number 1141883

CAFÉ JJ

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

3S Accountancy Services
Chartered Accountants

CAFÉ JJ

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

CONTENTS	Page
Members of the board and professional advisers	1
Annual report of the trustees	2
Independent examiner's report	4
Statement of financial activities (incorporating income and expenditure account)	5
Balance sheet	6
Notes to the financial statements	7

CAFÉ JJ

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

Trustees

Darryl Gregory
Valerie Hutchinson
Joseph Hutchinson
Louise Hindmarch
Cheryl Cordier
Stuart Reginald Cordier
Mark Roberts
Sharon Walls
Peter Fletcher
Dorothy Griffiths
Maureen Elizabeth Pressley
Julie Ann Nichols
Dennis Michael Brookbanks

Secretary

Valerie Hutchinson

Main office

4 Linden Court
Hurworth Place
Darlington
County Durham
DL2 2DL

Trading address

Clifton Centre Community Association
Clifton Avenue
Darlington
Co Durham
DL1 5EE

Accountants

3S Accountancy Services
Chartered Accountants
5-8 Priestgate
Darlington
DL1 1NL

Bankers

HSBC Bank PLC
1 Prospect Place
Darlington
Co Durham
DL3 7LQ

Charity number

1141883

CAFÉ JJ
ANNUAL REPORT OF THE TRUSTEES
YEAR ENDED 31 MARCH 2021

The trustees present their report together with the financial statements of the charity for the year ended 31 March 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014. Legal and administrative information set out on page 1 forms part of this report.

STRUCTURE GOVERNANCE AND MANAGEMENT

The charity was established in 2007, and has been a registered charity since May 2011. The trustees meet at least 3 times a year, in addition a weekly Management Meeting takes place each Monday (when the Café is operating) which is always attended by Trustees.

None of the trustees received remuneration for duties carried out as a trustee. However trustees claimed out of pocket expenses while undertaking volunteer duties during the operation of the Café and reimbursement of any expenditure incurred purchasing goods and services required by the Café.

OBJECTIVES

The objectives of the Charity are:

The advancement of education and skills of adults with Learning Difficulties in the Area of Benefit through:

- The provision of a Community Café and Delivery Service, giving opportunities to gain catering skills and develop mental and physical capabilities in a catering environment.
- And to acquire relevant experience and training through appropriate external activities by the use of small awards given by the charity to suitable service users.

ACHIEVEMENTS AND PERFORMANCE

Due to the effects of the pandemic, The Trustees can only report a disappointing year for Cafe JJ. We closed on 17th March 2020 and remained closed for the full financial year. We prepared to re-open following the ending of the first lockdown. Initially our plan was to reunite TeamJJ to provide retraining together with other activities with plans to reopen the cafe after a few weeks. However, our plans were thwarted the week we were due to open when the second lockdown was announced. Following the ending of the second lockdown we reviewed the situation with the staff and came to the conclusion that due to the strict guidelines in place, our area being in Tier 3 and the vulnerability of Team JJ and our customers we would remain closed.

The Trustees would like to take this opportunity to thank Tees Valley RLU for allowing us to carry over their grant and County Durham Foundation who once again came to our rescue with a £3,000 grant. This was used to provide rent to Clifton Community Centre who kindly reduced this to a minimum to cover our storage area.

We must also be grateful to the Government for the furlough payments which without we would not have been able to retain our staff.

However we finally got the team together in May 21 and after having four weeks retraining (and some fun and games), we reopened our doors to our customers. To our surprise the response was better than expected with over 50 turning out with all saying how much they have missed not only the food but the team as well. The flow has generally steady around 50 to 60, however last week we had 75. This did give us a little concern regarding social distancing especially with school holidays coming up when numbers tend to increase. We discussed this with the Community Centre manager who suggested, because no activities were booked, we could use the small hall. This seemed to be the solution as we could cater for up to 30 which allows us to provide decent social distancing. However our plans have been thwarted again with three key staff testing positive for covid in December 21 resulting in closure until after the festive season.

Challenges ahead

COVID

Covid obviously will remain a main priority; the recent increase in reported cases only gives us concern for Team JJ, staff and customers. We will be reviewing the situation after the holidays and will be taking all Government guidance into account before making a decision. We would however have a major problem should we need to remain closed without any Government support.

Wage inflation

The minimum wage is increasing from £8.91 to £9.50 in April, an increase of 6.62% and likely to rise to £10, a further 5.26% in 2023 which is the level the Government promised for 2020.

It will be impossible to meet these increases without support and it is hoped this year the Government/Council will look favourably on increasing Direct Payments for day services which have remained the same for fifteen years. We have in the past had excellent support from local donors, especially Count Durham Community Foundation and more recently from the Lottery via their Awards for All, however none of these are guaranteed and I am sure there are more and more organisations like us knocking on their door.

Food inflation

The price of ingredients over the last twelve months has risen considerably some items increasing between 15% and 35%. We have always avoided increasing our prices, which has only occurred three times in our fifteen years of trading. The main reason for this is it is not the main source of income and increasing prices can sometime have a negative result. However we will review the situation as it develops.

Year	Sales	% Increase
2017/2018	22,923	4.1%
2018/2019	24,327	6.1%
2019/2020	25,983	8.2%
2020/2021	nil	na

Public benefit

The trustees have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Reserves

The Association's policy is to maintain free reserves at a level to enable continued operation for a period of 6 months. Whilst reserves are not at this level, the trustees aim to ensure surpluses are achieved to reach this point.

Risk management

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks

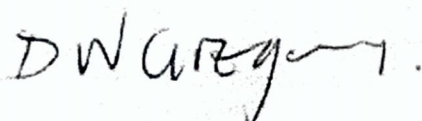
Statement of Trustees' Responsibilities

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom accounting standards for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements the trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the applicable Charities SORP;
- c) make judgements and estimates that are reasonable and prudent;
- d) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- e) prepare the Financial Statements on a going concern basis unless it is inappropriate to assume that the charity will continue operating.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the Financial Statements comply with the Charities Act 2011 and the applicable Charity (Accounts and Reports) Regulations, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the board on 12th January 2022 and signed on its behalf



D Gregory
Chair

CAFÉ JJ
INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CAFÉ JJ
YEAR ENDED 31 MARCH 2021

I report on the accounts of the charity for the year ended 31 March 2021, which are set out on pages 5 to 10.

This report is made solely to the trustees of the charity, as a body, in accordance with section 145 of the Charities Act 2011 (the 2011 Act). My examination has been undertaken so that I might state to the trustees of the charity those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees of the charity as a body for my examination, for this report or the opinions I have formed.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144 of the 2011 Act and that an independent examination is needed. Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

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

Independent examiner's statement

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

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Catherine Milbanke FCA
3S Accountancy Services, Chartered Accountants
5-8 Priestgate
Darlington
DL1 1NL



Date:

12/1/22

CAFÉ JJ
STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure Account)
YEAR ENDED 31 MARCH 2021

	Note	Unrestricted £	Restricted £	2021 £	2020 £
Income					
Income from:					
Donations and legacies	2	1,445	32,978	34,423	48,750
Other trading activities	3	-	-	-	25,983
Investment income		7	-	7	34
Total		<u>1,452</u>	<u>32,978</u>	<u>34,430</u>	<u>74,767</u>
Expenditure					
Expenditure on:					
Raising funds		5	-	5	1,433
Charitable activities		4,866	33,219	38,085	77,095
Total	4	<u>4,871</u>	<u>33,219</u>	<u>38,090</u>	<u>78,528</u>
Net income / (expenditure)		(3,419)	(241)	(3,660)	(3,761)
Transfers between funds		-	-	-	-
Net movement in funds		<u>(3,419)</u>	<u>(241)</u>	<u>(3,660)</u>	<u>(3,761)</u>
Fund balances brought forward at 1 APRIL 2020		17,072	3,349	20,421	24,182
Fund balances carried forward at 31 MARCH 2021	10	<u><u>13,653</u></u>	<u><u>3,108</u></u>	<u><u>16,761</u></u>	<u><u>20,421</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

CAFÉ JJ

BALANCE SHEET

AS AT 31 MARCH 2021

	Note	2021		2020	
		£	£	£	£
Current assets					
Stock		-		100	
Debtors and prepayments	8	2,210		4,829	
Cash at bank and in hand		<u>18,499</u>		<u>21,085</u>	
		20,709		26,014	
Creditors					
Amounts falling due within one year	9	<u>(3,948)</u>		<u>(5,593)</u>	
Net current assets			16,761		20,421
Net assets			<u>16,761</u>		<u>20,421</u>
Funds					
Unrestricted Funds			13,653		17,072
Restricted funds			<u>3,108</u>		<u>3,349</u>
Total charity funds	10		<u>16,761</u>		<u>20,421</u>

These financial statements were approved and signed by the trustees and authorised for issue on 12 - 01 - 2022

DW Gregory

D Gregory
Chair

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

1. Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's accounts.

- (i) The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and with the Charities Act 2011.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the notes to these accounts.

The charity constitutes a public benefit entity as defined by FRS102.

(ii) 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 funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

(iii) Incoming resources

Income is accounted for on an accruals basis. Grants are recognised as an incoming resource when the conditions for the receipt have been met and are accounted for in accordance with the headings they have been allocated to on a basis consistent with the use of the resources.

(iv) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure, it is probable settlement will be required and the amount of the obligation can be measured reliably.

2. Donations and legacies

	Unrestricted £	Restricted £	2021 £	2020 £
Grants received	1,445	32,978	34,423	48,750
Donations	-	-	-	-
	<u>1,445</u>	<u>32,978</u>	<u>34,423</u>	<u>48,750</u>

In 2020 restricted grants received were £4,687 and restricted donations were £nil

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

3. Other trading activities

	Unrestricted £	Restricted £	2021 £	2020 £
Income from activities				
Café	-	-	-	21,767
Buffets	-	-	-	313
Deliveries	-	-	-	3,683
Training	-	-	-	220
	-	-	-	25,983

In 2020 all income from activities was unrestricted.

4. Analysis of total resources expended

	Unrestricted £	Restricted £	2021 £	2020 £
Cost of generating funds				
Opening stock	100	-	100	550
Ingredients	-	-	-	14,645
Stock for resale	-	-	-	1,368
Closing stock	-	-	-	(100)
	100	-	100	16,463
Operating costs				
Rent	-	2,400	2,400	6,984
Staff Wages	3,081	29,463	32,544	39,883
Volunteer Expenses	4	-	4	6,262
Travelling Expenses	9	-	9	794
Promotion Costs	5	-	5	1,433
Fees & Insurance	312	-	312	297
Operating Expenses	123	-	123	1,599
Office Expenses	680	-	680	1,273
Special Events	(132)	-	(132)	300
Project Costs	153	-	153	304
Equipment	(167)	1,356	1,189	1,629
Donations	100	-	100	300
Independent examination & governance	500	-	500	700
Trustee Costs	103	-	103	307
	4,771	33,219	37,990	62,065
	4,871	33,219	38,090	78,528

In 2020 restricted total resources expended amounted to £17,501.

5. Governance

	2021 £	2020 £
Accountancy and professional fees	500	620
	500	620

6. Trustees' remuneration

Except below, the trustees received £nil (2020: £nil) worth of emoluments during the period.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

7. Staff costs

	2021	2020
	£	£
Wages and Salaries	32,544	39,883
	<u>32,544</u>	<u>39,883</u>

Wages and salary costs include re-charged costs from Trust121 for the directly attributable services of their employees.

The average employee headcount for the year was 11 (2020: 11).

8. Debtors

	2021	2020
	£	£
Trade debtors	-	4,829
Other debtors	2,210	-
	<u>2,210</u>	<u>4,829</u>

9 Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals and deferred income	3,862	3,612
Other creditors	86	1,981
	<u>3,948</u>	<u>5,593</u>

10 Statement of Funds

	Balance b/fwd £	Incoming £	Outgoing £	Transfers £	Balance c/fwd £
Unrestricted funds - general	17,072	1,452	(4,871)	-	13,653
Total unrestricted funds	<u>17,072</u>	<u>1,452</u>	<u>(4,871)</u>	<u>-</u>	<u>13,653</u>
Restricted funds:					
Resources	3,349	32,978	(33,219)	-	3,108
Total restricted funds	<u>3,349</u>	<u>32,978</u>	<u>(33,219)</u>	<u>-</u>	<u>3,108</u>
TOTAL FUNDS	<u>20,421</u>	<u>34,430</u>	<u>(38,090)</u>	<u>-</u>	<u>16,761</u>

Made up of:

	2021			2020		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
Current assets						
Stock	-	-	-	-	100	100
Debtors and prepayments	-	2,210	2,210	-	4,829	4,829
Cash at bank and in hand	3,108	15,391	18,499	3,349	17,736	21,085
	<u>3,108</u>	<u>17,601</u>	<u>20,709</u>	<u>3,349</u>	<u>22,665</u>	<u>26,014</u>
Creditors	-	(3,948)	(3,948)	-	(5,593)	(5,593)
	<u>3,108</u>	<u>13,653</u>	<u>16,761</u>	<u>3,349</u>	<u>17,072</u>	<u>20,421</u>