

Morton Community Centre
Unaudited Financial Statements
31 March 2021

GORDON CONSULTANCY LIMITED

Chartered accountants
Briar Lea House
Brampton Road
Longtown
Carlisle
Cumbria
CA6 5TN

Morton Community Centre

Financial Statements

Year ended 31 March 2021

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Morton Community Centre

Trustees' Annual Report

Year ended 31 March 2021

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2021.

Reference and administrative details

Registered charity name Morton Community Centre

Charity registration number 1157329

Principal office Wigton Road
Carlisle
Cumbria
CA2 6JP

The trustees

Mr C Stothard
Mr J Bell
Mr G Bird
Mr S Sidgwick
Mr S Craig
Mr G English
Mr T Linford
Mrs T Sidgwick

Accountants Gordon Consultancy Limited
Chartered accountants
Briar Lea House
Brampton Road
Longtown
Carlisle
Cumbria
CA6 5TN

Structure, governance and management

The Centre is non-party in politics and non-sectarian in religion. The Centre is run by a management committee which includes representatives from Carlisle City Council.

Objectives and activities

The Objectives of the Centre are to promote the benefit of the inhabitants of Morton and the neighbourhood by providing facilities, social welfare, recreation and leisure.

Achievements and performance

The 2020/21 fiscal year has been extremely challenging for the Centre due to the Coronavirus. As a trading organisation, we have been able to access the Job Retention Scheme and received significant payments from the Local Authority in the form of Hospitality Grant payments. We applied for and received a considerable Bounce Back Loan, but at the time of writing, have not felt the need to utilise this Loan.

Morton Community Centre

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Achievements and performance *(continued)*

Our Nursery has remained open for a considerable proportion of the academic year, closing only when general restrictions applied. We have operated our catering service and bar facility when able to do so. In response to local demand, we developed a parent toddler group to support parents who felt particularly isolated at this time. We also provided a much-needed junior playscheme, in partnership with the County Council, during the summer holidays.

We have worked with key professionals to offer the best service we could during the year. The NHS and local Clinical Commissioning Group have utilised our accommodation to provide essential mandatory training to their staff. We were also able to use Covid exemptions to maintain the Alternative Education Service and Pain Relief Clinic through the year.

We have exercised a very tight control on expenditure during the year and this together with the JRS and hospitality grant payments have allowed us to generate a small surplus. We are proposing, once general trading conditions improve, to reinvest some of that small surplus into refurbishing the bar area.

We have managed to maintain several services and cash flow during the fiscal year, without the need for compulsory redundancies. Whilst there have been challenges, we recognise the support given by the Staff and Trustees, ensuring that Centre remains open and providing necessary services to the Community.

Financial review

Reserves Policy:

The Reserve Fund represents the unrestricted funds arising from past operative results. The Trustees are satisfied that this should operate at the equivalent of three months operating expenditure which is satisfactory given the external risk to the Local Authority grant, the contractual obligations of the staff and the ongoing maintenance of the Community Centre not covered by the Lease arrangement with the Local Authority.

Risk Management:

The Management Committee has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks.

Internal risks are minimised by the implementation of procedures for authorisation of all transactions and to ensure consistent duty of care and customer satisfaction. These procedures are periodically reviewed to ensure that they still meet the needs of the charity

Plans for future periods

The centre continues to strive to provide the highest possible service to the local residents whilst ensuring that expenditure is controlled.

The trustees' annual report was approved on 31 August 2021 and signed on behalf of the board of trustees by:

Mr C Stothard
Trustee

Morton Community Centre

Chartered Accountant's Report to Morton Community Centre on the Unaudited Financial Information of Morton Community Centre

Year ended 31 March 2021

As described on the statement of financial position, the trustees of the charity are responsible for the preparation of the financial statements for the year ended 31 March 2021, which comprise the statement of financial activities, statement of financial position and the related notes.

You consider that the charity is exempt from an audit under the Charities Act 2011.

In accordance with your instructions we have compiled these financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and from information and explanations supplied to us.

GORDON CONSULTANCY LIMITED
Chartered accountants

Briar Lea House
Brampton Road
Longtown
Carlisle
Cumbria
CA6 5TN

31 August 2021

Morton Community Centre
Statement of Financial Activities
Year ended 31 March 2021

		Unrestricted funds	2021 Restricted funds	Total funds	2020 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	4	—	181,146	181,146	122,100
Other trading activities	5	93,886	—	93,886	299,201
Total income		<u>93,886</u>	<u>181,146</u>	<u>275,032</u>	<u>421,301</u>
Expenditure					
Expenditure on charitable activities	6,7	63,535	182,032	245,567	439,354
Total expenditure		<u>63,535</u>	<u>182,032</u>	<u>245,567</u>	<u>439,354</u>
Net income/(expenditure)		<u>30,351</u>	<u>(886)</u>	<u>29,465</u>	<u>(18,053)</u>
Transfers between funds		(886)	886	—	—
Net movement in funds		<u>29,465</u>	<u>—</u>	<u>29,465</u>	<u>(18,053)</u>
Reconciliation of funds					
Total funds brought forward		34,094	17,850	51,944	69,997
Total funds carried forward		<u>63,559</u>	<u>17,850</u>	<u>81,409</u>	<u>51,944</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 6 to 13 form part of these financial statements.

Morton Community Centre

Statement of Financial Position

31 March 2021

	Note	2021 £	£	2020 £
Fixed assets				
Tangible fixed assets	13		63,788	74,988
Current assets				
Stocks	14	4,037		6,487
Debtors	15	2,727		6,503
Cash at bank and in hand		101,054		20,771
		107,818		33,761
Creditors: amounts falling due within one year	16	45,197		56,805
Net current assets			62,621	(23,044)
Total assets less current liabilities			126,409	51,944
Creditors: amounts falling due after more than one year	17		45,000	—
Net assets			81,409	51,944
Funds of the charity				
Restricted funds			17,850	17,850
Unrestricted funds			63,559	34,094
Total charity funds	18		81,409	51,944

These financial statements were approved by the board of trustees and authorised for issue on 31 August 2021, and are signed on behalf of the board by:

Mr C Stothard
Trustee

The notes on pages 6 to 13 form part of these financial statements.

Morton Community Centre
Notes to the Financial Statements
Year ended 31 March 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Wigton Road, Carlisle, Cumbria, CA2 6JP.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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 (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Morton Community Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shop.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs are those incurred directly in support of expenditure on the objects of the charity and include project management.

Tangible assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and Buildings	-	5% straight line
Fixtures and Fittings	-	15% straight line
Equipment	-	15% straight line

Morton Community Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Morton Community Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Donations and legacies

	Restricted Funds £	Total Funds 2021 £	Restricted Funds £	Total Funds 2020 £
Grants				
Grants receivable	181,146	181,146	122,100	122,100

5. Other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Weddings	472	472	6,501	6,501
Centre	73,738	73,738	191,861	191,861
Nursery	7,539	7,539	19,091	19,091
Bar Income	12,137	12,137	81,748	81,748
	<u>93,886</u>	<u>93,886</u>	<u>299,201</u>	<u>299,201</u>

Morton Community Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Centre	3,614	85,190	88,804
Nursery	25,085	76,844	101,929
Bar	7,709	–	7,709
Support costs	27,127	19,998	47,125
	<u>63,535</u>	<u>182,032</u>	<u>245,567</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Centre	198,360	–	198,360
Nursery	–	92,349	92,349
Bar	66,416	–	66,416
Support costs	52,478	29,751	82,229
	<u>317,254</u>	<u>122,100</u>	<u>439,354</u>

7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2021 £	Total fund 2020 £
Centre	7,615	81,189	30,512	119,316	265,424
Nursery	337	101,592	–	101,929	92,349
Bar	7,709	–	–	7,709	66,416
Governance costs	–	–	16,613	16,613	15,165
	<u>15,661</u>	<u>182,781</u>	<u>47,125</u>	<u>245,567</u>	<u>439,354</u>

8. Analysis of support costs

	Centre £	Total 2021 £	Total 2020 £
Staff costs	30,512	30,512	67,064
Governance costs	17,453	17,453	15,165
	<u>47,965</u>	<u>47,965</u>	<u>82,229</u>

9. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	<u>11,200</u>	<u>11,200</u>

Morton Community Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

10. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	<u>114,314</u>	<u>257,857</u>

The average head count of employees during the year was 20 (2020: 21). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Number of nursery staff	8	8
Number of centre staff	4	4
Number of management staff	1	1
Number of coffee bar and housekeeping	7	8
	<u>20</u>	<u>21</u>

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

11. Trustee remuneration and expenses

None of the trustees received any remuneration during the period.

12. Transfers between funds

The restricted funds were reviewed during the year and where the restrictions have now been cleared, the amounts were transferred back to unrestricted funds.

13. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 April 2020 and 31 March 2021	<u>215,774</u>	<u>6,050</u>	<u>152,432</u>	<u>374,256</u>
Depreciation				
At 1 April 2020	143,652	4,422	151,194	299,268
Charge for the year	9,381	907	912	11,200
At 31 March 2021	<u>153,033</u>	<u>5,329</u>	<u>152,106</u>	<u>310,468</u>
Carrying amount				
At 31 March 2021	<u>62,741</u>	<u>721</u>	<u>326</u>	<u>63,788</u>
At 31 March 2020	<u>72,122</u>	<u>1,628</u>	<u>1,238</u>	<u>74,988</u>

14. Bar stock

	2021	2020
	£	£
Raw materials and consumables	<u>4,037</u>	<u>6,487</u>

Morton Community Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

15. Debtors

	2021	2020
	£	£
Trade debtors	2,579	5,839
Prepayments and accrued income	148	664
	<u>2,727</u>	<u>6,503</u>

16. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	5,000	—
Trade creditors	36,265	50,397
Accruals and deferred income	750	750
Social security and other taxes	3,182	5,658
	<u>45,197</u>	<u>56,805</u>

17. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	<u>45,000</u>	<u>—</u>

18. Analysis of charitable funds

Unrestricted funds

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
General funds	<u>34,094</u>	<u>93,886</u>	<u>(63,535)</u>	<u>(886)</u>	<u>63,559</u>

	At 1 April 2019	Income	Expenditure	Transfers	At 31 March 2020
	£	£	£	£	£
General funds	<u>52,147</u>	<u>299,201</u>	<u>(317,254)</u>	<u>—</u>	<u>34,094</u>

Morton Community Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

18. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Restricted Funds	<u>17,850</u>	<u>181,146</u>	<u>(182,032)</u>	<u>886</u>	<u>17,850</u>

	At 1 April 2019	Income	Expenditure	Transfers	At 31 March 2020
	£	£	£	£	£
Restricted Funds	<u>17,850</u>	<u>122,100</u>	<u>(122,100)</u>	<u>—</u>	<u>17,850</u>

19. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	45,938	17,850	63,788
Current assets	107,818	—	107,818
Creditors less than 1 year	(45,197)	—	(45,197)
Creditors greater than 1 year	(45,000)	—	(45,000)
Net assets	<u>63,559</u>	<u>17,850</u>	<u>81,409</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	57,138	17,850	74,988
Current assets	33,761	—	33,761
Creditors less than 1 year	(56,805)	—	(56,805)
Creditors greater than 1 year	—	—	—
Net assets	<u>34,094</u>	<u>17,850</u>	<u>51,944</u>

Morton Community Centre

Management Information

Year ended 31 March 2021

The following pages do not form part of the financial statements.

Morton Community Centre

Detailed Statement of Financial Activities

Year ended 31 March 2021

	2021 £	2020 £
Income and endowments		
Donations and legacies		
Grants receivable	<u>181,146</u>	<u>122,100</u>
Other trading activities		
Weddings	472	6,501
Centre	73,738	191,861
Nursery	7,539	19,091
Bar Income	<u>12,137</u>	<u>81,748</u>
	<u>93,886</u>	<u>299,201</u>
Total income	<u><u>275,032</u></u>	<u><u>421,301</u></u>
Expenditure		
Expenditure on charitable activities		
Opening stock	6,487	5,322
Purchases	60,818	78,917
Closing stock	4,037	6,487
Wages and salaries	114,314	257,857
Rent	10,407	16,750
Rates and water	10,039	8,282
Light and heat	11,038	27,417
Repairs and maintenance	2,233	7,190
Insurance	5,065	5,403
Other establishment	2,166	1,511
Legal and professional fees	3,247	3,291
Telephone	1,567	2,234
Other office costs	11,023	20,467
Depreciation	<u>11,200</u>	<u>11,200</u>
	<u>245,567</u>	<u>439,354</u>
Total expenditure	<u><u>245,567</u></u>	<u><u>439,354</u></u>
Net income/(expenditure)	<u><u>29,465</u></u>	<u><u>18,053</u></u>

Morton Community Centre

Notes to the Detailed Statement of Financial Activities

Year ended 31 March 2021

	2021 £	2020 £
Expenditure on charitable activities		
Centre		
<i>Activities undertaken directly</i>		
Purchases	4,954	27,323
Wages/salaries	2,661	134,158
	<u>7,615</u>	<u>161,481</u>
<i>Grant funding activities</i>		
Purchases	40,467	8,045
Wages & salaries	33,758	28,834
Grant charitable activity 1 - rates & water	6,964	—
	<u>81,189</u>	<u>36,879</u>
<i>Support costs</i>		
Rates & water	3,075	8,282
Light & heat	9,625	26,004
Repairs & maintenance	2,233	7,190
Insurance	5,065	5,403
Legal and professional fees	—	837
Telephone	1,567	2,234
Other office costs	8,947	17,114
	<u>30,512</u>	<u>67,064</u>
Nursery		
<i>Activities undertaken directly</i>		
Purchases	337	1,225
Wages & salaries	—	5,263
	<u>337</u>	<u>6,488</u>
<i>Grant funding activities</i>		
Purchases	12,672	4,582
Wages/salaries	75,431	68,917
Rent	10,000	10,000
Light & heat	1,413	1,413
Other office costs	2,076	949
	<u>101,592</u>	<u>85,861</u>
Bar		

Morton Community Centre

Notes to the Detailed Statement of Financial Activities *(continued)*

Year ended 31 March 2021

	2021 £	2020 £
<i>Activities undertaken directly</i>		
Opening stock	6,487	5,322
Purchases	2,388	37,742
Closing stock	4,037	6,487
Wages/salaries	2,464	20,685
Rent	407	6,750
Other office costs	—	2,404
	<u>7,709</u>	<u>66,416</u>
Governance costs		
Other establishment	2,166	1,511
Accountancy fees	640	650
Other professional fees	2,607	1,804
Depreciation	11,200	11,200
	<u>16,613</u>	<u>15,165</u>
Expenditure on charitable activities	<u>245,567</u>	<u>439,354</u>