

Morton Community Centre
Unaudited Financial Statements
31 March 2022

GORDON CONSULTANCY LIMITED

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

Morton Community Centre

Financial Statements

Year ended 31 March 2022

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Morton Community Centre

Trustees' Annual Report

Year ended 31 March 2022

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2022.

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 (Retired 1 May 2022)
Mrs A Quilter (Appointed 12 September 2022)

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 2021/22 fiscal year has been one of reconstruction and consolidation at the Centre. We have increased our sales within our trading areas and fully utilised the Bounce Back Loan to carry out improvements to the Centre, and redeveloped services to meet demand. We have undertaken major works to the Bar and redecorated the cafeteria. We recognise the logistical and financial support from Carlisle City Council in undertaking this work including fully redecorating the older external part of the Centre.

Morton Community Centre

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Achievements and performance *(continued)*

Our Nursery continues to flourish, attracting a solid reputation in providing a top-class early year's education to local children. We have maintained our parent toddler group as a potential lead in for parents considering out Nursery for their children at two years old. We have invested in the gym and sunbeds to bring the facilities up to date.

Our members groups have all returned and the members bar and functions rooms are doing well. Room hire is returning to pre covid levels, although we appreciate that charitable and voluntary sector organisations do not have the level of finance necessary to offer additional attractions such as catering.

We were affected again by Covid during the year. Staff cover had to be maintained throughout the Centre, and this had a significant effect on staff costs. We have developed new initiatives to support the local community. We are working in partnership with Cumbria Police to offer a boxing club for young people as a diversionary activity and creating a more positive lifestyle. We supported numerous social events over the year working in partnership with local charities.

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.

Our future aims are to continue developing services, particularly supporting young people, where there is none or very little on offer. We maintain as strong control over expenditure and use flexibility within trading sections, rather than immediately recruit additional or replacement staff.

The trustees' annual report was approved on 31 October 2022 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 2022

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 2022, 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

Morton Community Centre
Statement of Financial Activities
Year ended 31 March 2022

		Unrestricted funds	2022 Restricted funds	Total funds	2021 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	4	–	136,999	136,999	181,146
Other trading activities	5	279,700	–	279,700	93,886
Total income		<u>279,700</u>	<u>136,999</u>	<u>416,699</u>	<u>275,032</u>
Expenditure					
Expenditure on charitable activities	6,7	270,522	143,639	414,161	245,567
Total expenditure		<u>270,522</u>	<u>143,639</u>	<u>414,161</u>	<u>245,567</u>
Net income		<u>9,178</u>	<u>(6,640)</u>	<u>2,538</u>	<u>29,465</u>
Transfers between funds		(6,640)	6,640	–	–
Net movement in funds		<u>2,538</u>	<u>–</u>	<u>2,538</u>	<u>29,465</u>
Reconciliation of funds					
Total funds brought forward		<u>63,559</u>	<u>17,850</u>	<u>81,409</u>	<u>51,944</u>
Total funds carried forward		<u>66,097</u>	<u>17,850</u>	<u>83,947</u>	<u>81,409</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 2022

	Note	2022 £	£	2021 £
Fixed assets				
Tangible fixed assets	13		62,555	63,788
Current assets				
Stocks	14	6,064		4,037
Debtors	15	6,405		2,727
Cash at bank and in hand		120,070		101,054
		132,539		107,818
Creditors: amounts falling due within one year	16	70,036		45,197
Net current assets			62,503	62,621
Total assets less current liabilities			125,058	126,409
Creditors: amounts falling due after more than one year	17		41,111	45,000
Net assets			83,947	81,409
Funds of the charity				
Restricted funds			17,850	17,850
Unrestricted funds			66,097	63,559
Total charity funds	18		83,947	81,409

These financial statements were approved by the board of trustees and authorised for issue on 31 October 2022, 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 2022

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 2022

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.

Morton Community Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

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

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.

Morton Community Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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.

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 2022 £	Restricted Funds £	Total Funds 2021 £
Grants				
Grants receivable	136,999	136,999	181,146	181,146

5. Other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Weddings	5,584	5,584	472	472
Centre	180,651	180,651	73,738	73,738
Nursery	25,585	25,585	7,539	7,539
Bar Income	67,880	67,880	12,137	12,137
	<u>279,700</u>	<u>279,700</u>	<u>93,886</u>	<u>93,886</u>

Morton Community Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Centre	133,326	43,162	176,488
Nursery	1,062	100,477	101,539
Bar	58,781	–	58,781
Support costs	77,353	–	77,353
	<u>270,522</u>	<u>143,639</u>	<u>414,161</u>

	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>

7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2022 £	Total fund 2021 £
Centre	133,326	43,162	58,747	235,235	119,316
Nursery	1,062	100,477	–	101,539	101,929
Bar	58,781	–	–	58,781	7,709
Governance costs	–	–	18,606	18,606	16,613
	<u>193,169</u>	<u>143,639</u>	<u>77,353</u>	<u>414,161</u>	<u>245,567</u>

8. Analysis of support costs

	Centre £	Total 2022 £	Total 2021 £
Staff costs	30,512	30,512	30,512
Governance costs	17,453	17,453	17,453
	<u>47,965</u>	<u>47,965</u>	<u>47,965</u>

9. Net income

Net income is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	<u>12,857</u>	<u>11,200</u>

Morton Community Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

10. Staff costs

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

	2022 £	2021 £
Wages and salaries	<u>230,352</u>	<u>114,314</u>

The average head count of employees during the year was 20 (2021: 20). The average number of full-time equivalent employees during the year is analysed as follows:

	2022 No.	2021 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	7
	<u>20</u>	<u>20</u>

No employee received employee benefits of more than £60,000 during the year (2021: 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 2021	215,774	6,050	152,432	374,256
Additions	—	—	11,624	11,624
At 31 March 2022	<u>215,774</u>	<u>6,050</u>	<u>164,056</u>	<u>385,880</u>
Depreciation				
At 1 April 2021	153,033	5,329	152,106	310,468
Charge for the year	9,381	721	2,755	12,857
At 31 March 2022	<u>162,414</u>	<u>6,050</u>	<u>154,861</u>	<u>323,325</u>
Carrying amount				
At 31 March 2022	<u>53,360</u>	<u>—</u>	<u>9,195</u>	<u>62,555</u>
At 31 March 2021	<u>62,741</u>	<u>721</u>	<u>326</u>	<u>63,788</u>

14. Bar stock

	2022 £	2021 £
Raw materials and consumables	<u>6,064</u>	<u>4,037</u>

Morton Community Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

15. Debtors

	2022	2021
	£	£
Trade debtors	6,257	2,579
Prepayments and accrued income	148	148
	<u>6,405</u>	<u>2,727</u>

16. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	5,000	5,000
Trade creditors	64,161	36,265
Accruals and deferred income	750	750
Social security and other taxes	125	3,182
	<u>70,036</u>	<u>45,197</u>

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

	2022	2021
	£	£
Bank loans and overdrafts	<u>41,111</u>	<u>45,000</u>

18. Analysis of charitable funds

Unrestricted funds

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
General funds	<u>63,559</u>	<u>279,700</u>	<u>(270,522)</u>	<u>(6,640)</u>	<u>66,097</u>

	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>

Morton Community Centre

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

18. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
Restricted Funds	<u>17,850</u>	<u>136,999</u>	<u>(143,639)</u>	<u>6,640</u>	<u>17,850</u>

	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>

19. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	44,705	17,850	62,555
Current assets	132,539	—	132,539
Creditors less than 1 year	(70,036)	—	(70,036)
Creditors greater than 1 year	(41,111)	—	(41,111)
Net assets	<u>66,097</u>	<u>17,850</u>	<u>83,947</u>

	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>

Morton Community Centre

Management Information

Year ended 31 March 2022

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

Morton Community Centre

Detailed Statement of Financial Activities

Year ended 31 March 2022

	2022 £	2021 £
Income and endowments		
Donations and legacies		
Grants receivable	<u>136,999</u>	<u>181,146</u>
Other trading activities		
Weddings	5,584	472
Centre	<u>180,651</u>	<u>73,738</u>
Nursery	25,585	7,539
Bar Income	<u>67,880</u>	<u>12,137</u>
	<u>279,700</u>	<u>93,886</u>
Total income	<u><u>416,699</u></u>	<u><u>275,032</u></u>
Expenditure		
Expenditure on charitable activities		
Opening stock	4,037	6,487
Purchases	80,184	60,818
Closing stock	6,064	4,037
Wages and salaries	<u>230,352</u>	<u>114,314</u>
Rent	10,000	10,000
Rates and water	9,036	10,039
Light and heat	21,753	11,038
Repairs and maintenance	15,617	2,233
Insurance	5,618	5,065
Other establishment	2,010	2,166
Legal and professional fees	3,799	3,247
Telephone	5,707	1,567
Other office costs	19,255	11,430
Depreciation	<u>12,857</u>	<u>11,200</u>
	<u>414,161</u>	<u>245,567</u>
Total expenditure	<u><u>414,161</u></u>	<u><u>245,567</u></u>
Net income	<u><u>2,538</u></u>	<u><u>29,465</u></u>

Morton Community Centre

Notes to the Detailed Statement of Financial Activities

Year ended 31 March 2022

	2022 £	2021 £
Expenditure on charitable activities		
Centre		
<i>Activities undertaken directly</i>		
Purchases	34,404	4,954
Wages/salaries	102,811	2,661
Other office costs	3,889	—
	<u>133,326</u>	<u>7,615</u>
<i>Grant funding activities</i>		
Purchases	7,321	40,467
Wages & salaries	30,918	33,758
Rates & water	4,923	6,964
	<u>43,162</u>	<u>81,189</u>
<i>Support costs</i>		
Rates & water	4,113	3,075
Light & heat	20,340	9,625
Repairs & maintenance	6,719	2,233
Insurance	5,618	5,065
Legal and professional fees	60	—
Telephone	5,707	1,567
Other office costs	16,190	8,947
	<u>58,747</u>	<u>30,512</u>
Nursery		
<i>Activities undertaken directly</i>		
Purchases	1,062	337
<i>Grant funding activities</i>		
Purchases	4,958	12,672
Wages/salaries	79,732	75,431
Rent	10,000	10,000
Light & heat	1,413	1,413
Other office costs	4,374	2,076
	<u>100,477</u>	<u>101,592</u>
Bar		
<i>Activities undertaken directly</i>		

Morton Community Centre

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

Year ended 31 March 2022

	2022	2021
	£	£
Opening stock	4,037	6,487
Purchases	32,439	2,388
Closing stock	6,064	4,037
Wages/salaries	16,891	2,464
Repairs & maintenance	8,898	—
Other office costs	2,580	407
	<u>58,781</u>	<u>7,709</u>
Governance costs		
Other establishment	2,010	2,166
Accountancy fees	695	640
Other professional fees	3,044	2,607
Depreciation	12,857	11,200
	<u>18,606</u>	<u>16,613</u>
Expenditure on charitable activities	<u><u>414,161</u></u>	<u><u>245,567</u></u>