

Hutton Community Centre (CIO) - Statement of Accounts, 2020/21

These are the annual accounts for HCC (CIO). It is the fifth time that accounts such as these have been produced. These accounts document one accounting period, as follows:

Period 1 & Period 2	30/11/15 to 30/6/16 and 1/7/16 to 30/6/17	From the inception of the charity to immediately prior to the lease with BBC, and for the first full year of the lease with BBC. Covered in the first annual report.
Period 3	1/7/17 to 30/6/18	For the second full year of the lease with BBC. Covered in the second annual report.
Period 4	1/7/18 to 30/6/19	For the third full year of the lease with BBC. Covered in the third annual report.
Period 5	1/7/19 to 30/6/20	For the fourth full year of the lease with BBC. Covered in the fourth annual report.
Period 6	1/7/20 to 30/6/21	For the fifth full year of the lease with BBC. Covered in this report.

1.0 Structure of the Charity and the Operation

1.1 HCC (CIO) and our Partner Organisations

HCC (CIO) [or Hutton Community Centre (CIO)] is a charitable incorporated organisation which received its approval from the UK Charity Commission on 30/11/15. Its registered charity number is 1164605. It was created for the sole purpose of running Hutton Community Centre for community benefit.

The charity has a board of four trustees, and operates according to written articles of association. These are available on request. Further details about the background of the trustees can be seen on request. One trustee has left the board during the fifth full year of operation (Peter Boem), and Seye Atunrase has become chair of trustees.

A number of other, “partner” organisations have supported the charity since its creation. There is a written partner agreement in place to formalise this support relationship. Further details about our partner organisations can be seen on request. There have been no changes to the partner organisations since the last annual report.

1.2 The Lease with Brentwood Borough Council

HCC (CIO) has a lease in place with Brentwood Borough Council (BBC) to occupy and operate Hutton Community Centre. This lease has a term of 15 years, starting on 1st July 2016, with a break clause after the first 7 years to allow for a rent review.

The key obligations under this lease include:

- To operate according to our charitable and community principles
- To repair and maintain the community centre
- To take certain actions on completion of the lease – eg redecoration and carpet replacement

It is noted that, under the terms of the lease, BBC retains ownership of all of the physical assets of the community centre.

1.3 The Initial Funding of HCC (CIO)

To create sufficient working capital to operate the community centre, a number of loans were taken out. These are with the partner organisations and former trustees of the charity, as follows:

Loan From		Amount	Repayable
The Brentwood Grace Centre	Partner	£10,000	July 2020 – extended to July 2022
Hope Community Church	Partner	£5,000	July 2020 – extended to July 2023
The Lighthouse Project	Partner	£5,000	July 2020 – extended to July 2021
David Woods	Former	£1,000	Repaid April 2019
Brian Darwood	Trustees	£1,000	Repaid April 2019

The extension requests to the three outstanding loans were made in June 2020. They were made due to cash flow issues caused by the community centre being shutdown from mid March 2020 to mid July 2021 in response to the UK wide COVID-19 lockdown.

Normally, on a month to month basis, the operating costs of the community centre are funded by revenues from the hire of the facilities. Any excess revenue is used to contribute to investments in the centre facilities, and also to subsidise activities which have community benefit. In time it has also be used to repay the loans.

The costs of operating the community centre include staff costs, facility maintenance, utilities (water/power/gas), insurance, rental charges to BBC, and so on.

1.4 Our Business Systems

A number of simple business systems are in place to operate the community centre and the charity. These are mainly managed by the Centre Staff and Treasurer, and include:

- A business bank account, held with HSBC
- A tool to monitor bookings and generate invoices to hirers
- A tool to monitor the financial accounts and generate periodic accounting summaries
- A tool to monitor and manage payroll for the staff
- A tool which takes a long term financial view of costs and revenues
- A structured delegation of authority (DOA) document for all key aspects of operation

We also maintain a cloud based storage facility, through which all of the key tools and documents associated with the operation can be viewed. Access to these is limited to the trustees, with certain documents also available to the partner representatives.

1.5 Our Monitoring and Reporting Structures

HCC (CIO) has an established routine reporting structure, which is regularly reviewed by the trustees. This structure is as follows:

What	Period	Generated By	Reviewed By
Operations Report	Periodically	Centre Manager	Trustee/Partner group
Financial Summary Report	Periodically	Treasurer	Trustee/Partner group
Usage Reports	6-12 monthly	Treasurer	Trustee/Partner group
Report to BBC	Annually	Treasurer	Trustees
Report to Charity Commission	Annually	Treasurer	Trustees

Copies of all of these routine reports are stored in our cloud drives and are available to view on request.

1.6 The Preparation of Our Accounts

These accounts have been prepared being mindful of guidance in the following documents:

- Section 132 of the Charities Act 2011
- The Charities (Accounts and Reports) Regulations 2008 (sections covering matters that charities must report)
- Government guidance documents CC15d and CC16d

Based on this guidance, and the turnover of the HCC (CIO) charity, we have chosen to document our accounts on a receipts and payments basis. Further notes with respect to the accounts and the assumptions and practices used can be seen below.

We make the following general statement with respect to these accounts:

“These financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity’s governing documents, 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 for Smaller Entities published on 16 July 2014.”

2.0 The Details of the Accounts

The following pages show the accounts for reporting Period 5. There are 3 elements of content:

- The Statement of Receipts and Payments part (Section A)
- The Statement of Assets and Liabilities (Section B)
- The Notes to the Accounts

2.1 Accounting Period 6 (01/07/20 to 30/6/21)

Section A Receipts and payments - Period 6 (01/07/20 - 30/6/21)						
	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Last Period	Notes
	to the nearest £	to the nearest £	to the nearest £	to the nearest £	to the nearest £	
A1 Receipts						
Donations & Fundraising	500	13,847	-	14,347	1,875	P6.1
Hire and Deposit Income	44,190	-	-	44,190	65,585	P6.2
COVID related grants from government	25,146	-	-	25,146	25,999	P6.3
Refunds from External Sources	3,036	-	-	3,036	-	P6.4
Café Income	4,800	-	-	4,800	8,715	P6.5
	-	-	-	-	-	
A1 Sub total (Gross income for the Annual Return)	77,672	13,847	-	91,520	102,174	
A2 Asset and investment sales						
None	-	-	-	-	-	
	-	-	-	-	-	
A2 Sub total	-	-	-	-	-	
Total receipts	77,672	13,847	-	91,520	102,174	
A3 Payments						
Staff Cost excl Café Salaries	29,020	-	-	29,020	32,171	P6.6
Café Staff Salaries	10,581	-	-	10,581	14,776	P6.7
Café Costs	350	-	-	350	23	P6.8
Utilities	8,517	-	-	8,517	12,990	P6.9
Maintenance, Contractors & Materials	9,536	-	-	9,536	11,112	P6.10
Investments and Donations	2,332	8,517	-	10,849	-	P6.11
Insurances	1,752	-	-	1,752	4,751	P6.12
Licences, Event Costs, Marketing	1,018	-	-	1,018	751	P6.13
Misc Purchased Items	90	-	-	90	-	P6.14
Rent and Council Rates	10,500	-	-	10,500	7,500	P6.15
Hire & Deposit Refunds	2,703	-	-	2,703	4,023	P6.16
Accountancy Services	1,440	-	-	1,440	-	P6.17
Other Bought in Services	-	-	-	-	1,248	P6.18
Donations Related to COVID	709	-	-	709	536	P6.19
Loans Repaid	-	-	-	-	-	P6.20
A3 Sub total	78,548	8,517	-	87,065	89,881	
A4 Asset and investment purchases						
Table Tennis Table #1	-	-	-	-	350	P6.21
Access Tower	-	-	-	-	1,260	P6.21
Outside tables / awnings for café	-	1,530	-	1,530	-	P6.21
A4 Sub total	-	1,530	-	1,530	1,610	
Total payments	78,548	10,047	-	88,595	91,491	
Net of receipts/(payments)	- 876	3,800	-	2,925	10,683	
A5 Transfers between funds	-	-	-	-	-	
A6 Cash funds last period end	71,123	10,000	-	81,123	70,440	
Cash funds this period end	70,247	13,800	-	84,048	81,123	

Section B Statement of assets and liabilities at the end of Period 6 (01/07/20 - 30/6/21)

Categories	Details	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Last Period	Notes
B1 Cash funds	Balance in HSBC Bank Account	to nearest £ 70,247	to nearest £ 13,800	to nearest £ -	to nearest £ 84,047	to nearest £ 81,123	P6.22
		-	-	-	-	-	
		-	-	-	-	-	
	Total cash funds	70,247	13,800	-	84,047	81,123	
B2 Other monetary assets		Unrestricted funds	Restricted funds	Endowment funds	Total funds	Last Period	
	Details	to nearest £	to nearest £	to nearest £	to nearest £	to nearest £	
	Deposit with BBC (repayable at end of lease)	5,000	-	-	5,000	5,000	P6.23
		-	-	-	-	-	
B3 Investment assets				Total	5,000	5,000	
	Details		Fund to which asset belongs	Cost (optional)	Current value (optional)	Last Period	
	None			-	-	-	
			Total	-	-	-	
B4 Assets retained for the charity's own use				Cost (optional)	Current value (optional)	Last Period	
	Details		Fund to which asset belongs				
	Resale value of Aircon Units			-	4,000	6,000	P6.24
	Bowling mats				-	500	P6.24
B5 Liabilities					175	350	P6.24
	Table Tennis Table #1				800	1,260	P6.24
	Access Tower				1,530	-	P6.24
	Outside tables + awnings		Total	-	6,505	8,110	
	Details		Fund to which liability relates	When due (optional)	Amount due (optional)	Last Period	
B5 Liabilities	Remaining loans from partner organisations and trustees				20,000	20,000	P6.25
	Redecoration of Community Centre (required at end of lease)				15,000	15,000	P6.26
	Annual accounting costs (for previous period - not paid before 30/6)					720	P6.27
	Annual insurance costs (excl buildings) - not paid before 1/7				1,000	-	P6.27
	Second payment for centre relighting project			Total	3,000	-	P6.27
					39,000	35,720	

Notes to the accounts Period 6 – 1/7/20 to 30/6/21	
Note #	Comments
General	This period is the fifth full year of operation of the charity under the lease with BBC. It should be noted that this is the first year where restricted funds have been recognised in the accounts, at the recommendation of our auditor. The receipt of and spending of restricted funds for this accounting period can now be seen in the relevant rows in A1 and A3, and remnant amounts not spent can be seen in B1. A carryover of restricted funds has also been added for the previous year (A6) but it should be noted that this was not recognised as a restricted fund element in the previous accounts. Restricted funds will however now be tracked going forwards.
P6.1	Donations/fundraising in this period made by one of the trustees, by a local care home, by Brentwood Borough Council towards an energy saving project, by Essex County Council towards a boiler replacement and café furniture, and by a developer towards a café refurbishment project.
P6.2	This is the income taken from regular and one-off hirers for the use of the centre facilities. This is the main revenue stream for the community centre. Refundable deposits are also taken from one off hirers.
P6.3	The revenue in this category in this period is all government funding relating to the COVID-19 pandemic. Multiple payments totalling around £9,900 were payments made via HMRC for staff on furlough. Multiple payments totalling around £15,000 were business support payments made via Brentwood Borough Council.
P6.4	Refunds were made by our gas and electricity suppliers as our usage was down substantially because the centre was closed for long periods during the year because of COVID / national lockdowns.
P6.5	This item is the revenue from café operations. From around March 2019 this represents income net of food, consumable and material costs. It is paid into the HCC HSBC account periodically from a separate account which is used to manage day to day café operations. The typical net balance in the café account is less than £1,000.
P6.6	Staff costs are for the two centre employees. This cost line includes salaries, payroll costs, HMRC costs (eg employer's NI) and pension costs.
P6.7	Salaries for the employees who run the café are kept on a separate line. During period 5 this was initially two employees, both of whom were employed part time, dropping to one after Sept '20.
P6.8	During period 6, the material costs of running the café were typically been netted against the income paid to HCC. This is why only small charges are showing in this line.
P6.9	The utilities line includes gas, electricity, water and phone/broadband charges.
P6.10	This line includes all of the routine and emergent maintenance items for the centre, as well as consumables such as those for the office or for the toilets. It also includes contractor costs.
P6.11	This line is for major work to any of the centre's facilities. During period 6, this has included part payment for a lighting replacement / energy saving project, upgrade of the electrical wiring in the changing rooms, and some of the initial investment for a café upgrade project.
P6.12	The majority of the insurances required for the centre operation are purchased directly by the charity. The buildings insurance is purchased by BBC and then reimbursed to them by the charity. Period 6 only includes the payment to BBC (for the building insurance charge) as the non buildings insurance premium renewal was not paid by 1/7. That is why this period's total charge is so much less than the previous one. This will come back into the next accounting period.
P6.13	Includes marketing items such as advertising and signage, and memberships such as our premises license. It also includes the costs towards events which the centre hosts such as Halloween and Christmas parties, or any "thank you" lunches or similar events for volunteers.
P6.14	This was the purchase of two temperature gun type monitors to assist with COVID risk management when the centre first reopened.
P6.15	The payment of rent to Brentwood Borough Council as per the terms of the lease. This is slightly higher than normal as two rent payments from the previous period were not made on time. Would normally also include the payment of rates, however the rates charge was cancelled by BBC in period 5 due to the COVID-19 pandemic.
P6.16	The return of hire charges to hirers due to cancellations/errors, plus the return of deposits.

P6.17	Charges for examining the annual accounts of the charity. This year's number includes the costs for both period 5 and period 6 as the period 5 charge had not been made during the previous period.
P6.18	No charges in this category during period 6.
P6.19	During period 6, we made food donations to a local church which ran a daily food bank.
P6.20	No entries in this category during period 6.
P6.21	During the previous period, the centre purchased a table tennis table and an access tower to assist with maintenance activities. During period 6 we purchased a number of outside tables / awnings for the café.
P6.22	One bank account is operated by the charity – a business bank account with HSBC. The account is operated under the guidance of the formal delegation of authority (DOA) structure which is agreed by the trustees and reviewed periodically.
P6.23	This deposit of £5,000 was paid to BBC in 2016 as a requirement of the lease and is repayable on completion or termination of the lease.
P6.24	In the third accounting period, a project was executed to install air conditioning units in the main hall. It was estimated that in the first year these had a resale value of £10k, and that this will decrease by £2k per year for 5 years. Other smaller items shown in this list will be depreciated over two to three years.
P6.25	To create working capital. Received from a combination of partner organisations and trustees. None of these are restricted/endowment funds.
P6.26	The lease with BBC requires the redecoration of key rooms of the centre and the replacement of the carpets before the centre is handed back. These works have not yet been rigorously costed; for now it is assumed that £5,000 is needed for carpet replacement and £10,000 for any decorating which we do not do ourselves.
P6.27	All of these items are liabilities incurred which were not paid for before the end of the period.

3.0 Charity Commission Additional Questions

We understand that the charity commission has a number of mandatory questions to be answered during the annual reporting process. The table below shows the answers to the questions which are not otherwise explicitly covered in other sections of this report.

Ref	2020-2021 Annual Return questions Part A	Answer(s)
4	For the period of this return, where there any serious incidents that the charity failed to report to the commission?	No
5	Does your charity raise funds from the public?	No
10	Is grant making the main way your charity carries out its purposes?	No
11	During the financial period for this return, did your charity receive income from contracts (other than grant agreements) from central government or a local authority?	No
14	During the financial period for this return, did your charity receive any grant funding from central government or a local authority?	Yes – COVID-19 related funding
15	How many grants did your charity receive from central government or a local authority?	3 types – multiple payments within these types. They are from: • Essex County Council (for centre improvements) • HMRC (furlough payments) • Central govt COVID support grants (via local council)
16	What was the total value of the grants held from central government or a local authority?	£31,494 (see note P6.3 above)
17	During the financial period for this annual return, did the charity receive income from outside of the UK?	No
20	During the financial period for this annual return, did your charity operate outside England and Wales?	No
23	When spending money outside England and Wales, did your charity transfer money other than using the regulated banking system?	n/a
27	Does the charity have any trading subsidiaries?	No
29	During the financial period for this annual return, did any of the trustees received remuneration or benefits other than expenses incurred?	No
30	For what services were any of the trustees paid?	n/a
31	During the period covered by this annual return, did any of the trustees resign and take up employment with the charity?	No
32	During the financial period for this annual return, did any of your charity's staff receive total employment benefits of £60,000 or more?	No
35	How many UK volunteers, excluding trustees, did your charity have during the financial period?	3
36	During the financial period for this annual return, did your charity review its financial controls?	No (this was last done in Oct 2017)
37	Do any trustees, staff or volunteers work directly and unsupervised with children or adults at risk?	No
38	Have DBS checks been carried out on all the individuals who are eligible to have them?	Yes

4.0 Reserve Policy for the HCC (CIO) Charity

The HCC (CIO) charity aims to have a minimum bank balance of £25,000 at any given time. The logic for this is summarised in the following table. Note that this logic was formally ratified by the trustees following a trustee meeting.

HCC Reserve Policy			<i>V1 Jul17</i>
<i>Element</i>	<i>Amount</i>	<i>Comments</i>	
Unexpected Emergent Need	£10,000	Unknown, unplanned item allowance. This could be: # Unexpected / temporary drop in income # An unexpected emergent cost item # A short term investment opportunity we don't want to miss	
Lease compliance - decoration	£5,000	Cost to replace carpets at end of lease	
Lease Compliance - flooring	£10,000	Cost to decorate main hall - assumes we have done the rest	
Total reserve needed	£25,000		

5.0 Asset Register

The buildings and vast majority of the contents of Hutton Community Centre are owned by Brentwood Borough Council. However the following assets are owned by Hutton Community Centre (CIO):

Item	Original Value	Value at the end of accounting period 6:
Air conditioning units	£10,000	£4,000
Bowls mats	£950	£0
Table Tennis Table #1	£350	£175
Access Tower	£1,260	£800
Outside Tables	£1,530	£1,530

Independent examiner's report to the trustees

I report to the trustees on my examination of the accounts of the Hutton Community Centre for the year ended 30 June 2021.

Responsibilities and basis of report

As the charity trustees of the Centre you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Centre's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material 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 Trust as required by section 130 of the Act;
or
2. the accounts do not accord with those records.

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.

Signed: 

Name: Wendy Shorey FCA

Date: 12 October 2021

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