

Hutton Community Centre (CIO) - Statement of Accounts, 2021/22

These are the annual accounts for HCC (CIO). It is the sixth 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 the fifth annual report.
Period 7	1/7/21 to 30/6/22	For the sixth 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. There have been no changes to the trustee group during the sixth year of operation.

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 2023
Hope Community Church	Partner	£5,000	Repaid May 2022
The Lighthouse Project	Partner	£5,000	Repaid July 2021. Note that Lighthouse generously allowed a payment of £2,500 to cover this, effectively giving HCC a donation of £2,500.
David Woods	Former	£1,000	Repaid April 2019
Brian Darwood	Trustees	£1,000	Repaid April 2019

The extension requests to the outstanding loan were made in June 2020 and April 2022. 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	Periodically	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 7. 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 (01/07/21 to 30/6/22)

Section A Receipts and payments - Period 7 (01/07/21 - 30/6/22)

	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	1,000	16,315	-	17,315	14,347	P6.1
Hire and Deposit Income	104,752	-	-	104,752	44,190	P6.2
COVID related grants from government	-	-	-	-	25,146	P6.3
Refunds from External Sources	150	-	-	150	3,036	P6.4
Café Income	23,120	-	-	23,120	4,800	P6.5
	-	-	-	-	-	
A1 Sub total (Gross income for the Annual Return)	129,022	16,315	-	145,337	91,519	
A2 Asset and investment sales						
None	-	-	-	-	-	
	-	-	-	-	-	
A2 Sub total	-	-	-	-	-	
Total receipts	129,022	16,315	-	145,337	91,519	
A3 Payments						
Staff Cost excl Café Salaries	37,037	-	-	37,037	29,020	P6.6
Café Staff Salaries	20,731	-	-	20,731	10,581	P6.7
Café Costs	1,910	-	-	1,910	350	P6.8
Utilities	13,038	-	-	13,038	8,517	P6.9
Maintenance, Contractors & Materials	8,087	-	-	8,087	9,536	P6.10
Investments and Donations	14,368	12,243	-	26,611	10,849	P6.11
Insurances	3,991	-	-	3,991	1,752	P6.12
Licences, Event Costs, Marketing	953	-	-	953	1,018	P6.13
Misc Purchased Items	1,804	-	-	1,804	90	P6.14
Rent and Council Rates	10,179	-	-	10,179	10,500	P6.15
Hire & Deposit Refunds	2,215	-	-	2,215	2,703	P6.16
Accountancy Services	763	-	-	763	1,440	P6.17
Other Bought in Services	-	-	-	-	-	P6.18
Donations Related to COVID	-	-	-	-	709	P6.19
Loans Repaid	7,500	-	-	7,500	-	P6.20
A3 Sub total	122,576	12,243	-	134,819	87,065	
A4 Asset and investment purchases						
Outside tables / awnings for café	-	-	-	-	1,530	P6.21
Inside tables for café	2,624	-	-	2,624	-	P6.21
Defibrillator	1,079	-	-	1,079	-	P6.21
New laser printer	700	-	-	700	-	P6.21
Laptops for Access Project	-	5,000	-	5,000	-	P6.21
A4 Sub total	4,403	5,000	-	9,403	1,530	
Total payments	126,979	17,243	-	144,222	88,595	
Net of receipts/(payments)	2,043	- 928	-	1,115	2,924	
A5 Transfers between funds	-	-	-	-	-	
A6 Cash funds last period end	70,247	13,800	-	84,047	81,123	
Cash funds this period end	72,290	12,872	-	85,162	84,047	

Section B Statement of assets and liabilities at the end of Period 7 (01/07/21 - 30/6/22)

Categories	Details	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Last Period	Notes
		to nearest £	to nearest £	to nearest £	to nearest £	to nearest £	
B1 Cash funds	Balance in HSBC Bank Account	70,362	14,800	-	85,162	84,047	P6.22
		-	-	-	-	-	
		-	-	-	-	-	
	Total cash funds	70,362	14,800	-	85,162	84,047	
B2 Other monetary assets							
B3 Investment assets							
B4 Assets retained for the charity's own use							
B5 Liabilities							

Notes to the accounts Period 7 – 1/7/21 to 30/6/22	
Note #	Comments
General	This period is the sixth full year of operation of the charity under the lease with BBC. The practice of segregating restricted funds was started in the accounts last year, and has been continued this year. Although the presentation of the accounts does not split out all of the detail of the restricted funds, this can be provided on request.
P6.1	Donations/fundraising in this period were made by two of the trustees, by a local care home, by Brentwood Borough Council, by Essex County Council, and by a national building firm.
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. This occurred during both of the previous accounting periods but there was none in 21/22.
P6.4	This is a refund made from the purchase of some equipment.
P6.5	This item is the revenue from café operations. This represents income net of food, consumables 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 three 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 7 this was typically three employees, all of whom are employed part time.
P6.8	This line shows the purchase of smaller items of equipment for the café/kitchen.
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 7, this has included some further upgrade of the centre's electrical wiring, and the conclusion of the investment in the 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 7 includes two payments for the miscellaneous insurances as the payment for the previous year was only made post 1/7/21.
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	For period 7 this excludes the items shown in section A4 (inside tables, defibrillator, new laser printer, laptops) but includes a number of smaller items.
P6.15	The payment of rent to Brentwood Borough Council as per the terms of the lease, and the payment of business rates.
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, plus bank charges.
P6.18	No charges in this category during period 7.
P6.19	No charges in this category during period 7.
P6.20	During period 7, the loans were repaid to The Lighthouse Furniture Project and also to Hope Community Church . It should be noted that the Lighthouse Project formally accepted a lower repayment of £2,500 vs the loan of £5,000.
P6.21	A number of material items are routinely purchased in the operation of the community centre. Where these have use over time (multi year) and have a material value of at least c.£1000, they are itemised separately here. See also section 5.0 for an asset register type summary.
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.

	In terms of the restricted funds, these currently represent a past funding award from ECC towards the roof project (£10,000) and also multiple donations towards the electrical upgrade work (£4,800).
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	These represent the current (depreciated) values of material items which have been purchased for multi year centre use. More information can be seen in section 5.0.
P6.25	To create working capital. Received from a combination of partner organisations and trustees. None of these are restricted/endowment funds. As of the end of period 7 there is only one remaining loan.
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	2021-2022 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 see note below
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
15	How many grants did your charity receive from central government or a local authority?	Three
16	What was the total value of the grants held from central government or a local authority?	£8,800 (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?	5
36	During the financial period for this annual return, did your charity review its financial controls?	Yes – in June 2022
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

Note to Item 4:

In May 2022, there was a disagreement within the trustee group relating to some operational elements of the community centre. When an internal resolution was initially not possible, one of the trustees became very frustrated and submitted a complaint of a serious incident to the charity commission. Following further trustee group discussions, this complaint was then withdrawn. The trustee group believes this was only ever an operational matter and did not align with any of the definitions of a serious incident, and that this matter is now behind us.

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.

<i>Element</i>	<i>Amount</i>	<i>Comments</i>
Unexpected emergent need	£10,000	Unexpected / unplanned allowance. Could be but not limited to: • Unexpected / temporary drop in revenue • An unexpected emergent cost item • A short term investment opportunity we don't want to miss
Decoration at the end of the lease	£5,000	Although we are re-decorating as we go, this is an allowance to do some additional work as may be required by the conclusion of the lease
Flooring replacements at the end of the lease	£5,000	Although we are gradually replacing floor coverings in some areas, this is also an allowance to do some additional work as may be required by the conclusion of the lease
Total agreed reserve	£25,000	

5.0 Asset Register

The buildings and 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 7:
Air conditioning units	£10,000	£2,000
Table Tennis Table #1	£350	-
Access Tower	£1,260	£400
Outside Tables	£1,530	£750
Inside tables for cafe	£2,624	£2,624
Defibrillator	£1,079	£1,079
New laser printer	£700	£700
Laptop for COVID access	£5,000	£5,000

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 2022.

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').

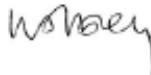
I report in respect of my examination of the Centre's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

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: 16 January 2022

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