

Hutton Community Centre (CIO) - Statement of Accounts, 2022/23

These are the annual accounts for HCC (CIO). It is the seventh 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 the sixth annual report.
Period 8	1/7/22 to 30/6/23	For the seventh full year of the lease with BBC. Covered in this report.

1.0 The Purpose of Our Charity and Key Activities this Financial Year

Hutton Community Centre is a small buildings complex that contains a number of hireable facilities, which include:

- Two halls - a large hall / sports hall and a small hall
- Two meeting rooms
- A community cafe

1.1 The Enduring Purpose of the Charity

The objective of the HCC (CIO) charity is to run Hutton Community Centre for local community benefit. This benefit is gained through the centre providing as large a variety of activities as we can which are available to as many people as possible. This objective was stated in our charity commission submission as:

“To run Hutton Community Centre in order to benefit the residents of the local neighbourhood, without distinction of sex, sexual orientation, race or of political, religious or other opinions by associating together these residents and the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for the residents. HCC (CIO) intends to work in a way which is fully committed to the principle of localism: a facility set in the community, run by members of the community, for the benefit of the local community.”

Our operating objectives are consistent with these stated principles. Some additional elements which we also consider key to our operating philosophy are:

- We aim for our hire charges to be moderate to low with respect to other comparable facilities, in order to maximise access
- We monitor and manage the types of activities in the centre, to ensure there is balance and diversity of use, and we manage new hirers to maximise diversity of use and further community benefit where possible
- We aim for the paid hire activities which are occurring to cross subsidise community support activities. This is by providing reduced rates or free hires, or by contributing to the costs of these activities. Over the first five years of our operation, these free or reduced hires were typically equivalent to 10-15% of our total revenue.

1.2 Current Usage Summary at the Community Centre

- There have been no major changes to the hireable facilities this year
- We believe we are fully recovered now post the COVID-19 period
- We typically have between 35 and 40 different hirer groups each month
- We typically have between 350 and 400 people using the centre each week

1.3 Key Projects Executed During the Year

We have made in excess of £115k of investment in the community centre during this financial year. The main items executed are:

Project	Amount	Status	Comments
Roof Upgrade Phase II	£92,527	Complete	• 3 further flat roof sections replaced, following the Phase I work which was done in 2018. This project was funded primarily from a lottery award (£75k) but also an ECC award from a previous year (£10k), and also our own revenue (£7,500). • This completes the main roof replacement work we plan to execute during the lease, although there may be other smaller repairs as required.
Electrical Upgrade work	£6,900	Almost complete	The main incoming board for the centre was replaced during this financial year. This adds to £12,400 of spend to upgrade electrical infrastructure in the centre in previous years. There are some smaller items we still need to do but this has largely completed the major upgrade work we believe we need to do.
Window replacements	£8,515	In Progress	We aspire to replace all of the (single glazed) windows in the centre over time, both for comfort of the users and also to make energy efficiency improvements.
Flooring Upgrades / Replacements	£4,594	In Progress	We have already replaced the flooring in the café area and plan to do similar work to all of the entrance foyer during the next financial year.
Fencing Replacements	£2,850	Complete	We have fully replaced the long wooden boundary fence with our nearest neighbour in Harrison Close which had reached end of life.

1.4 Key Fundraising Activities During the Year

We have been successful in obtaining just under £90k of external funding during the year, summarised as follows:

Source	Amount	Comments
National Lottery	£75,000	To contribute to our Phase II roof project
Personal donations	£2,500	To contribute towards community centre marketing and also towards the project to replace the centre's windows
Essex County Council	£500	To contribute towards the purchase of a new dishwasher for the community cafe
National Lottery	£9,560	To contribute towards increased cost of utility bills

2.0 Structure of the Charity and the Operation

2.1 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 seventh year of operation.

The charity employs a number of staff who operate the centre on a day to day basis. These include a full time centre manager, and 5 other part time staff who perform roles including office support, caretaking, and running the community café.

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. The roles of the partner organisations have been less in recent years but these agreements are still in place.

2.2 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.

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 (the overall buildings, and the contents present at the start of the lease).

2.3 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	£5,000 to be repaid in July 2023, with the remaining £5,000 extended to July 2024.
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.

2.4 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) for all key aspects of operation (document available on request)

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.

2.5 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	Periodically	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.

2.6 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.”

3.0 The Details of the Accounts

The following pages show the accounts for reporting Period 8. 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

Accounting Period 8 (01/07/22 to 30/6/23)

Section A Receipts and payments - Period 8 (01/07/22 - 30/6/23)

	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		92,019	-	92,019	17,315	P8.1
Hire and Deposit Income	111,166	-	-	111,166	104,752	P8.2
Refunds from External Sources	-	-	-	-	150	P8.3
Café Income	25,704	-	-	25,704	23,120	P8.4
	-	-	-	-	-	
A1 Sub total (Gross income for the Annual Return)	136,870	92,019	-	228,889	145,337	
A2 Asset and investment sales						
None	-	-	-	-	-	
	-	-	-	-	-	
A2 Sub total	-	-	-	-	-	
Total receipts	136,870	92,019	-	228,889	145,337	
A3 Payments						
Staff Cost excl Café Salaries	44,190		-	44,190	37,037	P8.5
Café Staff Salaries	36,368		-	36,368	20,731	P8.6
Café Costs	1,968		-	1,968	1,910	P8.7
Utilities	24,424		-	24,424	13,038	P8.8
Maintenance, Contractors & Materials	14,637		-	14,637	8,087	P8.9
Investments and Donations	21,025	95,002		116,027	26,611	P8.10
Insurances	3,389		-	3,389	3,991	P8.11
Licences, Event Costs, Marketing	1,924	500	-	2,424	953	P8.12
Misc Purchased Items	455		-	455	1,804	P8.13
Rent and Council Rates	9,412		-	9,412	10,179	P8.14
Hire & Deposit Refunds	1,110		-	1,110	2,215	P8.15
Legal/Accountancy/Banking Services	2,301		-	2,301	763	P8.16
Loans Repaid			-	-	7,500	P8.17
A3 Sub total	161,203	95,502	-	256,705	134,819	
A4 Asset and investment purchases						
Inside tables for café				-	2,624	P8.18
Defibrillator				-	1,079	P8.18
New laser printer				-	700	P8.18
Laptops for Access Project			-	-	5,000	P8.18
New Dishwasher (part of café costs)	912	500		1,412		P8.18
A4 Sub total	912	500	-	1,412	9,403	
Total payments	162,115	96,002	-	258,117	144,222	
Net of receipts/(payments)	- 25,245	- 3,983	-	- 29,228	1,115	
A5 Transfers between funds	-	-	-	-	-	
A6 Cash funds last period end	70,247	13,800	-	85,162	84,047	
Cash funds this period end	45,002	9,817	-	55,934	85,162	

Section B Statement of assets and liabilities at the end of Period 8 (01/07/22 - 30/6/23)

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	46,375	9,560	-	55,935	85,162	P8.19
		-	-	-	-	-	
		-	-	-	-	-	
	Total cash funds	46,375	9,560	-	55,935	85,162	
B2 Other monetary assets							
B3 Investment assets							
B4 Assets retained for the charity's own use							
B5 Liabilities							

Notes to the accounts Period 8 – 1/7/22 to 30/6/23	
Note #	Comments
General	This period is the seventh full year of operation of the charity under the lease with BBC. The practice of segregating restricted funds was started in the accounts in the fifth accounting year, and has continued since then. Although the presentation of the accounts does not always split out all of the detail of the restricted funds, this can be provided on request.
P8.1	Donations/fundraising in this period can be seen in more detail in section 2.3 above. These included donations from a local resident, two awards from the National Lottery, and one by Essex County Council.
P8.2	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.
P8.3	In a previous year this was a refund made from the purchase of some equipment.
P8.4	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.
P8.5	Staff costs are for the three centre employees. This cost line includes salaries, payroll costs, HMRC costs (eg employer's NI) and pension costs.
P8.6	Salaries for the employees who run the café are kept on a separate line. During period 8 this was typically three employees, all of whom are employed part time.
P8.7	This line shows the purchase of items of equipment for the café/kitchen.
P8.8	The utilities line includes gas, electricity, water and phone/broadband charges.
P8.9	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.
P8.10	This line is for major work to any of the centre's facilities. More details of the key investments in period 8 can be seen in section 2.2 above. They include a major investment through our Phase II roof project, some further upgrade of the centre's electrical wiring, a window replacement project, and a fence replacement project.
P8.11	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.
P8.12	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.
P8.13	For period 8 this is a new Hoover and a new office chair. Note that the more material purchased items which are shown in the asset register are in section A4.
P8.14	The payment of rent to Brentwood Borough Council as per the terms of the lease, and the payment of business rates.
P8.15	The return of hire charges to hirers due to cancellations/errors, plus the return of deposits.
P8.16	Charges for examining the annual accounts of the charity, plus bank and legal charges.
P8.17	No loan repayments during Period 8, although it is planned to partially repay the remaining loan early in the next period.
P8.18	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 6.0 and the balance sheet for an asset register type summary.
P8.19	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. Past year restricted funds have now been spent during the roof Phase II and electrical upgrade projects. This amount represents the latest National Lottery award towards our utility costs in the next financial year.
P8.20	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.

P8.21	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 6.0.
P8.22	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 8 there is only one remaining loan.
P8.23	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.
P8.24	We have paid a deposit on a floor replacement project in the foyer which will be completed in December 2023 and a final payment required.
P8.25	In a previous accounting year we received funding for a laptop project. We have not yet delivered the full projected benefits of this project and so are leaving this allowance in case there is a need to repay the grant.

4.0 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	2022-2023 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
15	How many grants did your charity receive from central government or a local authority?	One
16	What was the total value of the grants held from central government or a local authority?	£500 (see note P6.1 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?	No (last done 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

5.0 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	£10,000	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	

6.0 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):

<i>Item</i>	<i>Original Value</i>	<i>Value at the end of accounting period 8:</i>
Inside tables for cafe	£2,624	£1300
Defibrillator	£1,079	£500
New laser printer	£700	£350
Laptops for COVID access	£5,000	£3,400
New dishwasher in kitchen	£1412	£1412

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 2023.

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.

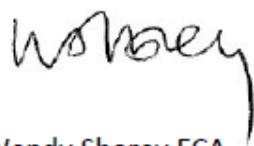
Independent examiner's statement

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: 15 December 2023