

DENTON BURN COMMUNITY ASSOCIATION
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 March 2023

Charity Number 1168779
Company Number 08591698

DENTON BURN COMMUNITY ASSOCIATION

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2023

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DENTON BURN COMMUNITY ASSOCIATION

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TRUSTEE ANNUAL REPORT (including Director's report)

For the year ended 31 March 2023

The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ended 31 March 2023 which are also prepared to meet the requirements for a trustees' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2022, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: 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) (effective October 2019).

1. Objectives and Activities

Denton Burn Community Association is a registered charity providing a social hub and community activities in the heart of Denton Burn. Denton Burn Community Association has a mission to provide a community facility at Denton Burn Community Centre, which is maintained to the highest standards; viable and sustainable and available for use by everyone in the community. The aim is for the Centre to be an asset to the community, used according to the wishes and needs of local people and to be a hub of activities for all ages and all interests. Denton Burn Community Association is managed by a group of volunteers. The Association offers a varied program of social, physical, and learning activities including – Art Classes, Baby Bloom Class, Clippy mats, Craft Class, Slimming World, Weight Watchers, Spiritualist Meetings, Celebration Cards, Fitness Classes, Taekwondo, Turtle Care child Class, the Church Groups, W.I. group, and various training sessions.

When planned activities are arranged, members are asked to volunteer their services on the day to aid in the success of the said activity.

We intend to continue to apply for grants where available.

2. Achievements and Performance

Since fully opening the Centre after Covid 19 we have gradually seen a selection of new groups in attendance. We are hopeful that the Association will return to the hive of activity it was and continue to provide a service and safe place for the groups in attendance.

3. Financial Review

Review of the year

The results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

During the year, the Charity had income of £34,814 (2022: £54,234) of which £nil was restricted (2022: £nil) and expenditure of £47,022 (2022: £49,641) of which £nil was restricted (2022: £nil). There was an operating deficit of £12,208 (2022: surplus of £4,593) of which £nil was restricted. (2022: £nil).

At 31 March 2023 the Charity had net assets of £6,466 (2022: £18,674) of which £9,717 was restricted (2022: £9,717).

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TRUSTEE ANNUAL REPORT (including Director's report)

For the year ended 31 March 2023

Reserve's policy

The Accounts for 2022-23 are in deficit for the unrestricted funds due to difficulties of COVID 19 and the pressure placed on the financial situation of our business. The trustees plan to address the situation during 2023-2024 period by increasing fees and room hire costs by encouraging more Private Room Hire and introducing new activities.

Once again, we will be reinstating the usual Family Fun Days i.e., Halloween and Christmas Parties for the children with a view to encouraging families to use the Community Centre as previous to COVID.

Investigations are taking place to endeavour to make savings on Utility costs, administration costs and general maintenance. In other words, savings will be made wherever possible.

Our Reserves Policy is reviewed annually.

4. Risk Management

The Board is responsible for the management of the risks to which the Charity is exposed. A risk register is produced which considers financial, governance and delivery risks.

For each risk, the register identifies:

- Initial risk assessment in terms of impact and likelihood
- Initial risk rating
- Counter measures
- Responsibility / ownership
- Timescale
- Amended risk assessment in terms of impact and likelihood.
- Amended risk rating.

The Board reviews the risk register throughout the year. Through the counter measures put in place in the risk register and the regular reviews and updates, the Board is satisfied that the major risks identified have been adequately mitigated. It is recognised that this approach can only provide reasonable but not absolute assurance that major risks have been adequately managed.

5. Plans for future periods

The Management Committee unfortunately has still been unable to finalise Asset Transfer due to the Outstanding repairs awaiting the Local Council's attention. Hopefully negotiations will resume in the very near future. We are in regular consultation with our members to gain information about their requirements.

6. Public Benefit Statement

The trustees/directors have paid due regard to the Charity Commission guidance on public benefit and are confident that the organisation's aims, objectives, and activities are in accordance with the guidance on public benefit.

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For the year ended 31 March 2023

Our activities and achievements as outlined demonstrate our commitment to ensuring that the organisation's resources and activities maximise the potential benefit to our local community.

7. Reference and administrative details of the charity, its trustees, and advisors

Registered charity name	Denton Burn Community Association
Charity number	1168779
Company registration number	08591698
Registered office	Slatyford lane Newcastle upon Tyne NE5 2UQ
Trustees and Members of the Board	Mrs M Fothergill (Chair) Mrs I Morley (Treasurer) Mrs L McGuinness Mr K Robinson
Independent Examiner	Doug Maltman FMAAT Connected Voice Business Services Ltd One Strawberry Lane Newcastle upon Tyne NE1 4BX

8. Structure, governance, and management

Governing Document

The organisation is a Charitable Company Limited by Guarantee. The Company was established under a Memorandum of Association, which established the objects and powers of the Charitable Company and is governed under its Articles of Association. In the event of a winding up any member (who is a director) undertakes to contribute to the payment of liabilities, such amount as may be required not exceeding the total of £1.

Recruitment and Appointment of the Board

The Directors of the Company are also Trustees for the purposes of charity law and under the company's Articles are also its members. Under the requirements of the Memorandum and Articles of Association, at the Annual General Meeting one-third of the Directors, who are subject to retirement by rotation, shall retire. Retiring Directors can be re-appointed at the Annual General Meeting.

Trustees are selected based on specialist skills and commitment to the objectives and aims of the organisation.

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TRUSTEE ANNUAL REPORT (including Director's report)

For the year ended 31 March 2023

Board Induction and Training

New Board Members are introduced to the work of the organisation and informed of their legal roles and responsibilities at an induction meeting. The induction and training programme for new Board Members includes:

- A briefing by the Chair or Chief Executive
- An explanation of roles and responsibilities as a Board Member
- Copies of the main company documents including the Memorandum and Articles of Association and the Financial Statements
- Copy of the business plan and most recent evaluation report.
- Copies of recent board papers including budgets and management accounts.
- A copy of the Charity Commission publication "How to be an Effective Trustee".
- A copy of the governance structure.

9. Statement of Trustee Responsibilities

The trustees, who are also directors for the purposes of company law, are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company Law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the situation of the charitable company and of incoming resources and application of resources, including the income and expenditure of the charitable company for that year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 30.11.2023 and signed on their behalf by:

Mrs M Fothergill (Chair)

DENTON BURN COMMUNITY ASSOCIATION

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 March 2023

I report on the financial statements of Denton Burn Community Association for the year ended 31 March 2023, which are set out on pages 6 to 14.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2022 ("the Charities Act") and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

I 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.

Doug Maltman FMAAT
Fellow Member of the Association of Accountancy Technicians
Connected Voice Business Services Ltd
One Strawberry Lane
Newcastle upon Tyne
NE1 4BX
Date: 28.11.2023

DENTON BURN COMMUNITY ASSOCIATION

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STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING SUMMARY INCOME & EXPENDITURE ACCOUNT)

For the year ended 31 March 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income from:					
Other trading activities	5	34,814	-	34,814	54,233
Total income		<u>34,814</u>	<u>-</u>	<u>34,814</u>	<u>54,233</u>
Expenditure on:					
Charitable activities					
Operation of the charity	6	47,022	-	47,022	49,641
Total expenditure		<u>47,022</u>	<u>-</u>	<u>47,022</u>	<u>49,641</u>
Net income/(expenditure) and net movement of funds		<u>(12,208)</u>	<u>-</u>	<u>(12,208)</u>	<u>4,592</u>
Reconciliation of funds					
Total funds brought forward		8,957	9,717	18,674	14,082
Total funds carried forward		<u>(3,251)</u>	<u>9,717</u>	<u>6,466</u>	<u>18,674</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 8 to 14 form an integral part of these accounts.

DENTON BURN COMMUNITY ASSOCIATION

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Charity Number 1168779

Company Number 08591698

BALANCE SHEET

As at 31 March 2023

	Notes	£	Total 2023 £	£	Total 2022 £
<u>Current assets</u>					
Cash at bank and in hand	13	7,806		19,538	
Total current assets		7,806		19,538	
Creditors: amounts falling due within one year	14	(1,340)		(864)	
Net current assets			6,466		18,674
Total net assets or liabilities			6,466		18,674
<u>Funds of the charity</u>					
Unrestricted income funds			(3,251)		8,957
Restricted income funds			9,717		9,717
Total funds			6,466		18,674

The company was entitled to an exemption from audit under s477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act with the respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS102 SORP.

The notes on pages 8 to 14 form an integral part of these accounts.

These financial statements were approved by the Board on: 28.11.2023

and are signed on its behalf by: Mrs I Morley
Treasurer

DENTON BURN COMMUNITY ASSOCIATION

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2 Basis of accounting

2.1 Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: 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) (effective October 2019) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2022.

Denton Burn Community Association meets the definition of a public benefit entity under FRS 102.

2.2 Preparation of the accounts on a going concern basis

The charity has reported an unrestricted deficit of £3,251 at the year end, and are looking to address the current balance. Due to the COVID-19 pandemic, it has put pressure on all businesses. It should be noted that the creditors are being paid when the payments are falling due. No other significant events affecting the Company since the year end.

3 Income

3.1 Recognition of income

Income is recognised when the charity has entitlement to the resources, any performance conditions attached to the item(s) of income have been met and it is more likely than not that the resources will be received and the monetary value can be measured with sufficient reliability

3.2 Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by FRS102 SORP or FRS102.

3.3 Grants and donations

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria of income recognition are met.

3.4 Volunteer help

The value of volunteer help received is not included in the accounts but is described in the trustees' annual report.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

3.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

3.6 Income from membership subscriptions

Membership subscriptions received in the nature of a gift are recognised in donations and legacies.

Membership subscriptions which gives a member the right to buy services or other benefits are recognised as income earned from the provision of goods and services as income from charitable activities.

3.7 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the

4 Expenditure and liabilities

4.1 Liability recognition

Liabilities are recognised when it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

4.2 Charitable activities

Expenditure on charitable activities includes the costs of work and other activities undertaken to further the purposes of the charity and their associated support costs.

4.3 Governance and support costs

Support costs have been allocated between governance cost and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

4.4 Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

4.5 Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

4.6 Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

Analysis of income

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
5 Other trading activities				
Room hire	34,319	-	34,319	29,865
Fundraising events	9	-	9	-
Café	258	-	258	-
HMRC Job Retention Scheme Grant	228	-	228	11,702
Newcastle City Council - Covid- 19 Grant	-	-	-	12,667
	<u>34,814</u>	<u>-</u>	<u>34,814</u>	<u>54,234</u>

Income was £34,814 (2022: £54,234) of which £34,814 was unrestricted or designated (2022: £54,234) and £0 was restricted (2022: £0)

Analysis of expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
6 Charitable activities				
<u>Direct costs</u>				
Project staff salaries	33,005	-	33,005	28,778
Kitchen	-	-	-	646
<u>Support costs</u>				
Administration	936	-	936	2,684
Licence/Insurance	723	-	723	683
Electricity/Water	5,608	-	5,608	7,150
Repairs and renewals	3,227	-	3,227	998
Payroll fees	570	-	570	251
Telephone	984	-	984	991
Fundraising costs	1,225	-	1,225	-
Covid-19 costs	-	-	-	6,717
<u>Governance costs</u>				
Independent examiner's fees for reporting on the accounts	744	-	744	743
	<u>47,022</u>	<u>-</u>	<u>47,022</u>	<u>49,641</u>

Expenditure on charitable activities was £47,022 (2022: £49,641) of which £47,022 was unrestricted or designated (2022: £49,641) and £0 was restricted (2022: £0)

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For the year ended 31 March 2023

7 Fees for examination of the accounts

	2023 £	2022 £
Independent examiner's fees for reporting on the accounts	744	743
Other accountancy services paid to the examiner	570	251
	<u>1,314</u>	<u>994</u>

8 Analysis of staff costs and the cost of key management personnel

	2023 £	2022 £
Salaries and wages	33,005	28,778
	<u>33,005</u>	<u>28,778</u>

No employee received remuneration above £60,000 (2022: nil)

The key management personnel of the charity, comprise the trustees.. The total employee benefits of the key management personnel of the charity were £nil.

9 Staff numbers

The average monthly head count was 2 staff (2022: 2 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	2023 Number	2022 Number
The parts of the charity in which the employee's work		
Charitable activities	1.5	1.5
	<u>1.5</u>	<u>1.5</u>

10 Transactions with trustees

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

Trustees' expenses

No trustee expenses have been incurred in the year.

Transaction(s) with related parties

There have been no related party transactions in the reporting period.

11 Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

12 Stock

	Stock	
	For distribution £	For resale £
Charitable activities:		
Opening	-	646
Added in period	-	-
Expensed in period	-	-
Impaired	-	(646)
Closing	-	-

13 Cash at bank and in hand

	2023 £	2022 £
Current account (Association)	4,295	15,073
Current account (Association)	3,249	4,203
Deposit account (Association)	57	57
Cash in hand (Social Club)	205	205
	7,806	19,538

14 Creditors and accruals (payable within 1 year)

	2023 £	2022 £
Accruals		
Independent examination of accounts	744	743
Other accruals	596	121
	1,340	864

15 Events after the end of the reporting period

No other significant events affecting the Company since the year end.

16 Analysis of charitable funds

Analysis of movements in unrestricted funds As at 31 March 2023

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Unrestricted funds					
General unrestricted fund	8,957	34,814	(47,022)	-	(3,251)
Totals	8,957	34,814	(47,022)	-	(3,251)

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

Analysis of movements in unrestricted funds As at 31 March 2022

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Unrestricted funds					
General unrestricted fund	4,364	54,234	(49,641)	-	8,957
Totals	4,364	54,234	(49,641)	-	8,957

Purpose of unrestricted funds

General unrestricted fund The 'free reserves' of the charity

Analysis of movement in restricted funds As at 31 March 2023

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Restricted funds					
Toy Library	2,535	-	-	-	2,535
1989 Willan Charitable Trust	4,182	-	-	-	4,182
Newcastle Building Society	3,000	-	-	-	3,000
Totals	9,717	-	-	-	9,717

Analysis of movement in restricted funds As at 31 March 2022

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Restricted funds					
Toy Library	2,535	-	-	-	2,535
1989 Willan Charitable Trust	4,182	-	-	-	4,182
Newcastle Building Society	3,000	-	-	-	3,000
Totals	9,717	-	-	-	9,717

Purpose of restricted funds

Restricted funds represent income resources used for a specific purpose within the charity as identified by the donor.

Toy Library	Funds for soft play and toys.
1989 Willan Charitable Trust	Funds for kitchen refurbishment.
Newcastle Building Society	Funds for kitchen refurbishment.

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For the year ended 31 March 2023

17 Capital commitments

As at 31 March 2023, the charity had no capital commitments (2022 -£nil)

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Cash at bank and in hand	(1,911)	9,717	7,806	19,538
Other net current assets/(liabilities)	(1,340)	-	(1,340)	(864)
	<u>(3,251)</u>	<u>9,717</u>	<u>6,466</u>	<u>18,674</u>