



Barnwood Reading Room CIO

Annual Report and Unaudited Financial Statements

(Consolidated Version)

**For the Reporting Period
1 January 2022 to 31 December 2022**

Legal and Administrative Information

Charity Trustees	MR Bashford RJ Crowhurst BM Matheson PM Murphy MD Scott JB Stubbings (resigned 31 August 2022)
Charity Number	1193534
Principal Office	146 Barnwood Road Gloucester GL4 3JT
Website	www.barnwoodreadingroom.co.uk
Bankers	National Westminster Bank plc 21 Eastgate Street Gloucester GL1 1NY

Foreword

This is the ‘consolidated’ version of the 2022 accounts for Barnwood Reading Room CIO.

During the Reporting Period of these accounts, the Unincorporated Charity was merged with the CIO.

In this version of the accounts, the assets, liabilities and funds of the Unincorporated Charity and the CIO are aggregated and presented as though they had always been part of the same reporting charity.

This is required in order to comply with accounting standards¹ regarding the merger of the Unincorporated Charity with the CIO

¹ Paragraphs 21.1 to 27.16 of the Charities SOPP (FRS 102) - 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 (effective from 1 January 2019 - second edition October 2019).

Separate ‘standalone’ version

An alternative ‘standalone’ version of the 2022 accounts has also been prepared, which does not aggregate the assets, liabilities and funds of the Unincorporated Charity and the CIO and does not present them as though they had always been part of the same reporting charity.

Instead, in the ‘standalone’ version, the transfer of the assets and liabilities from the Unincorporated Charity to the CIO on the merger date is shown.

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Trustees' Report *for the period 1 January 2022 to 31 December 2022*

The Charity Trustees ("the **Trustees**") of Barnwood Reading Room CIO ("the **CIO**") present their report and financial statements for the period from 1 January 2022 to 31 December 2022 ("the **Reporting Period**").

Structure, governance and management

The CIO is governed by a constitution dated 10 February 2021. It was registered as a charity number 1193534 in England and Wales on 15 February 2021. The governance and management of the CIO is carried out by the Trustees, who are appointed for a term of three years. There must be at least 3 and no more than 10 Trustees. The Trustees meet on a regular basis.

In accordance with the constitution, the voting members of the CIO are the Trustees and the only persons eligible to be voting members of the CIO are the Trustees. This type of arrangement for the voting members of a charitable incorporated organisation is known as the 'foundation' model. The members of the CIO have limited liability which means that if the CIO is wound up, they have no liability to contribute to the CIO's assets and no personal responsibility for settling the CIO's debts and liabilities.

New Trustees are appointed by the existing Trustees at a properly convened meeting. In selecting individuals for appointment as new Trustees, the existing Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

The Trustees who served during the Reporting Period were:

MR Bashford
RJ Crowhurst
BM Matheson
PM Murphy
MD Scott
JB Stubbings (resigned 31 August 2022)

During the Reporting Period, none of the Trustees had any beneficial interest in the CIO.

Responsibility for the accounts

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charity law requires the Trustees to prepare financial statements for each financial year or other reporting period. These should give a true and fair view of the financial state of affairs of the CIO and of the incoming resources and application of resources, including the income and expenditure, of the CIO for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounts policies and then apply them consistently
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and SORPs 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

As the CIO's gross income was less than £25,000 in the Reporting Period, there is no requirement under the Charities Act 2011 for an independent examination or audit of the accounts.

Trustees' Report for the period 1 January 2022 to 31 December 2022

Objectives and activities

In the constitution, the objectives of the CIO are described as the provision and maintenance of a village hall for the use of the inhabitants of the Former Parish of Barnwood as constituted on the 1st of May 1897 without distinction of political, religious, or other opinions, including use for meetings, lectures and classes, and for other forms of recreation and leisure-time occupation, with the object of improving the conditions of life for the said inhabitants.

The Trustees hire out the Barnwood Reading Room to clubs, societies, corporate organisations, charities and individuals. The Trustees are also responsible for the maintenance of the land and buildings.

These activities are undertaken for the public benefit on a not-for-profit basis and the Trustees have had regard to the guidance issued by the Charity Commission on public benefit.

Achievements and performance

The Charity for a Reading Room or Institute in the former parish of Barnwood (charity registration no. 251212) ("the **Unincorporated Charity**") was merged with the CIO on 7 March 2022. On that date, the property of the Unincorporated Charity was transferred to the CIO and reserves of £17,416.23 were vested in the CIO.

Following this, an entry was made on the Charity Commission's register of merged charities and the Unincorporated Charity was wound up. The current account with Barclays, that had been used by the Unincorporated Charity, was closed.

During the Reporting Period, the following improvements were made to the facilities provided at the Barnwood Reading Room:

- a new set of chairs was purchased; and
- a large wall mounted TV was installed, enabling the connection of laptops for the purpose of meetings involving PowerPoint or similar presentations. A TV licence will be purchased every year, allowing TV to be watched via wi-fi streaming services.

A new bookings system was rolled out towards the end of the Reporting Period, and this has already improved the efficiency of administration. There was steady growth in the number of bookings over the Reporting Period following the lifting of Covid-19 restrictions.

A 'Pay Now' facility was added to invoices, enabling customers to pay their invoices using a credit or debit cards. This has turned out to be a very popular service.

Policy on reserves

The CIO is operated as a value-for-money non-profit making charity. Any surplus of income over expenditure is held as a reserve for maintenance of the land and building.

The Trustees' policy is to build up the reserves to a sustainable level by –

- promoting the use of the Barnwood Reading Room to maximise utilisation and income, and
- keeping expenses under control,

with the aim of an annual contribution to reserves. In the long term this will ensure that the reserves:

- keep pace with inflation
- include a margin for contingencies (such as a future unforeseen event outside of the Trustees control which leads to closure of the Barnwood Reading Room for a temporary period)
- are sufficient to cover maintenance costs; and
- enable the Barnwood Reading Room to continue as a financially viable entity with good quality facilities on offer to its customers.

Trustees' Report *for the period 1 January 2022 to 31 December 2022*

Financial review

During the Reporting Period, net operating income was £3,007.55, driven primarily by the increased income from room hires. The vast majority of this increase was used to cover the one-off cost of the improvements described above. Allowing for one-off expenditure, the reserves increased by £539.60.

During the Reporting Period there was a surge in price inflation. This had a significant impact on the price of electricity and gas. The 3-year fixed rate deals on energy prices for the Barnwood Reading Room came to an end during the Reporting Period, and towards the end of the year the tariffs were switched to a new supplier.

The combination of the inflationary increases in tariffs and the ending of the fixed-rate deals means that a material increase in energy costs is anticipated in the next Reporting Period. This will be mitigated by careful adjustment of the heating of the building via the remote-controlled thermostat. Also, the installation of smart meters will enable energy use to be closely monitored.

Nevertheless, in anticipation of increased costs, and considering the need to continue making an annual contribution to reserves, the Trustees have reluctantly decided to increase to the hourly rate of hire fees.

Future plans

The Trustees intend to:

- Register ownership of the land and buildings with the Land Registry, in the name of the CIO
- Keep the Barnwood Reading Room well-maintained
- Continue development of the governance of the CIO in line with best practice

This report has been approved by the Trustees.

.....
M Scott, Chair of the Trustees

Date: 12 June 2023

Statement of Financial Activities

	Note	<u>Reporting Period:</u> 1 January 2022 to 31 December 2022	<u>Previous Period:</u> 1 January 2021 to 31 December 2021
		Total (£)	Total (£)
Income from:			
Donations	4	58.18	510.08
Investments	5	-	-
Charitable activities	6	9,570.00	5,460.00
Other income	7	-	18,336.21
Total income		9,628.18	24,306.29
Resources expended:			
Expenditure on charitable activities	8	9,088.58	18,188.94
Total resources expended		9,088.58	18,188.94
Net incoming (outgoing) resources (Net movement in funds)	9	539.60	6,117.35
Total funds brought forward		17,002.74	10,885.39
Total funds carried forward		17,542.34	17,002.74

* The CIO was set up as a registered charity with effect from 15 February 2021

Balance Sheet

	Note	Balance Sheet at 31 December 2022	Balance Sheet at 31 December 2021
		Total (£)	Total (£)
Fixed assets			
Investments	3(f)	-	-
Current assets:			
Cash at bank and in hand	10	17,652.60	17,204.44
Accounts receivable	11	(10.00)	312.50
Prepaid expenses	12	650.03	67.35
Total current assets		18,292.63	17,584.29
Creditors: amounts falling due within one year			
Accounts payable	13	(68.10)	-
Accrued expenses	14	818.39	234.05
Prepaid income	15	-	347.50
Total Creditors		750.29	581.55
Net Current Assets		17,542.34	17,002.74
Total assets less current liabilities		17,542.34	17,002.74
The funds of the CIO:			
Unrestricted Funds	3(c)	17,542.34	17,002.74
Total CIO funds		17,542.34	17,002.74

These financial statements were approved by the Trustees and authorised for issue on 12 June 2023, and are signed on behalf of the Trustees by:

MD Scott
Chair of the Trustees

RJ Crowhurst
Trustee and Treasurer

Notes to the Financial Statements

1. General information

The CIO is a public benefit entity and a registered charity in England and Wales. It is a Charitable Incorporated Organisation. The address of the principal office is 146 Barnwood Road, Gloucester, GL4 3JT, England.

2. Statement of compliance

These financial statements have been prepared in compliance with:

- the Charities Act 2011; and
- the Charities SOPP (FRS 102) - 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 (effective from 1 January 2019 - second edition October 2019).

To comply fully with FRS 102, the assets, liabilities and funds of the Unincorporated Charity and the CIO are aggregated and presented as though they had always been part of the same reporting charity.

An alternative 'standalone' version of the 2022 accounts has also been prepared. This does not aggregate the assets, liabilities and funds of the Unincorporated Charity and the CIO and does not present them as though they had always been part of the same reporting charity. Instead, the transfer of the assets and liabilities from the Unincorporated Charity to the CIO on the merger date is shown in the 'standalone' version.

3. Accounting policies

a) Basis of preparation

The financial statements are prepared in sterling, which is the functional currency of the CIO. Monetary amounts in these financial statements are shown to the exact penny. The historic cost convention is used.

b) Going concern

There are no material uncertainties about the CIO's ability to continue.

c) Fund accounting

The CIO's funds may fall into three categories:

- Unrestricted Funds available for use at the discretion of the Trustees to further any of the CIO's purposes
- Designated Funds (these are unrestricted funds earmarked by the Trustees for a particular future project or commitment)
- Restricted Funds, which are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal. They fall into one of two sub-categories: Restricted Income Funds or Endowment Funds

During the Reporting Period and the Previous Period, the CIO's funds were made up entirely of Unrestricted Funds.

Notes to the Financial Statements

d) Incoming resources

Income is recognised, on an accruals basis, when –

- the CIO is legally entitled to it
- the amounts can be measured reliably
- it is probable that income will be received

The following policies are applied to the two main sources of income for the CIO:

- Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably
- Income from the hire of the Barnwood Reading Room is recognised when receipt is probable and entitlement is established. Where an invoice has been issued on or before the end of the Reporting Period for a date of hire after the end of the Reporting Period, the income is treated as a prepayment of hire fees for an event, to be recognised beyond the end of the Reporting Period.

e) Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- Expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods
- Expenditure on charitable activities includes all costs incurred by the CIO in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the CIO that have been apportioned to charitable activities
- Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable, and consistent basis.

f) Investments

The Charities SORP (FRS 102) specifies the accounting treatment of certain defined classes of investments. During the Reporting Period the CIO did not hold any such investments (Previous Period: nil).

4. Donations and legacies

The donations during the Reporting Period of £58.18 are made up entirely of ongoing regular donations (Previous Period: £510.08 made up of £10.08 of regular donations and a one-off donation of £500.00 from a local councillors' fund)

5. Investment income

The CIO did not receive or accrue any bank interest during the Reporting Period (Previous Period: nil).

Notes to the Financial Statements

6. Income from charitable activities

The income from charitable activities, all regarded as regular income, is shown below.

Regular income from charitable activities

	Reporting Period (£)	Previous Period (£)
Room Hire	9,570.00	5,460.00

7. Other income

There was no 'other income' in the Reporting Period. In the Previous Period, the 'other income' is made up of 'one-off' Covid-19 related grants of £18,336.21.

8. Expenditure on charitable activities

The expenditure on charitable activities is split between regular expenditure and one-off expenditure, as shown below.

Regular expenditure on charitable activities

	Reporting Period (£)	Previous Period (£)
Accounting System fees	224.40	288.00
Bathroom and Kitchen Supplies	416.53	151.06
Broadband	506.50	469.00
Business Rates	61.30	22.62
Caretaker	560.00	60.00
Cleaning	1,753.00	1,282.48
Domain Registration	14.40	12.70
Electricity Supply	561.96	288.76
Expenses for Room Hire / Events	35.00	0.94
Fire extinguisher / emergency lighting / Portable Appliance Tests	271.85	272.99
Gardening	125.85	226.50
Gas Servicing	150.00	168.00
Gas Supply	977.97	331.90
General Expenses	10.00	58.72
Insurance	542.27	523.48
Mobile Phone Receptionist	170.00	-
Music Licence	43.76	-
Postage and Packing	3.00	-
TV Licence	13.25	-
Water Supply	179.59	155.84
Total regular expenditure on charitable activities	6,620.63	4,312.99

One-off expenditure on charitable activities

	Reporting Period (£)	Previous Period (£)
Fixtures and fittings	2,288.92	13,875.95
Repairs and maintenance	179.13	-
Total one-off expenditure on charitable activities	2,467.95	13,875.95

The overall total expenditure in the Reporting Period is £9,088.58 (Previous Period: £18,188.94).

Notes to the Financial Statements

9. Net incoming (outgoing) resources

The net incoming (outgoing) resources are split into net operating income and net non-operating income, as shown below.

Net Operating income

	Reporting Period (£)	Previous Period (£)
Ongoing regular donations	58.18	10.08
Regular income on charitable activities	9,570.00	5,460.00
Regular expenditure on Charitable activities	(6,620.63)	4,312.99
Total net operating income	3,007.55	1,157.09

Net non-operating income

	Reporting Period (£)	Previous Period (£)
One-off donations	-	500.00
One-off income on charitable activities	-	18,336.21
One-off expenditure on Charitable activities	(2,467.95)	(13,875.95)
Total net non-operating income	(2,467.95)	4,960.26

The overall total net incoming (outgoing) resources in the Reporting Period is £539.60 (Previous Period: £6,117.35)

10. Cash in bank and in hand

31 December 2022: cash at bank and in hand consists entirely of a balance of £17,652.60 in the NatWest current account (2021: £2,623.00 in NatWest, £14,558.86 in Barclays and £22.58 petty cash).

11. Accounts receivable

31 December 2022: Accounts Receivable consists of a credit of £10.00, held by the CIO to offset against a customer's future invoice (2021: £312.50 of unpaid invoices)

12. Prepaid expenses

31 December 2022: Prepaid expenses £650.03 (2021: £67.35) are made up of:

	31 December 2022 (£)	31 December 2021 (£)
Prepaid business rates	21.62	11.36
Prepaid domain registration	1.68	16.08
Prepaid electricity and gas supply	346.93	-
Prepaid music licence	87.52	-
Prepaid TV licence	145.75	-
Prepaid water supply	46.53	39.91

Notes to the Financial Statements

13. Accounts payable

31 December 2022: Accounts payable £(68.10) consists of:

- a credit of £100.00 issued by the electricity and gas supplier,
- offset by an expense claim of £31.90 that was settled just after the end of the Reporting Period.

(2021: nil)

14. Accrued expenses

31 December 2022: Accrued expenses consists of the electricity and gas supply cost of energy used from 13 November 2022 to 31 December 2022, of £818.39, which was billed by the supplier after the end of the Reporting Period

(2021: £234.05 made up of accrued electricity and gas supply costs of £138.65 and the accrued cost of fire extinguisher and emergency lighting tests of £95.40)

15. Prepaid income

31 December 2022 prepaid income: nil

(2021: £347.50 relating to invoices issued in advance for room hire after 31 December 2021).

16. Staff costs

The average head count of employees during the Reporting Period was Nil (Previous Period: nil).

No employee received employee benefits of more than £60,000 during the Reporting Period (Previous Period: nil).

17. Trustee remuneration and expenses

None of the Trustees received remuneration or incurred expenses during the Reporting Period (Previous Period: nil).

18. Related parties

There were no disclosable related party transactions during the Reporting Period (Previous Period: nil).

Analysis of Principal Components of Merger

1) Analysis of principal Statement of Financial Activities components for the Reporting Period

	Unincorporated Charity £	CIO £	Combined Total £
Total Income	1,497.00	8,131.18	9,628.18
Total Expenditure	(1,077.51)	(8,011.07)	(9,088.58)
Net movement in funds	419.49	120.11	539.60
Total funds brought forward	16,996.74	6.00	17,002.74
Total funds carried forward (31 December 2022)	17,416.23	126.11	17,542.34

2) Analysis of principal Statement of Financial Activities components for the Previous Period

	Unincorporated Charity £	CIO £	Combined Total £
Total Income	24,306.29	-	24,306.29
Total Expenditure	(18,188.94)	-	(18,188.94)
Donation to CIO	(6.00)	6.00	-
Net movement in funds	6,111.35	6.00	6,117.35
Total funds brought forward	10,885.39	-	10,885.39
Total funds carried forward (31 December 2021)	16,996.74	6.00	17,002.74

3) Analysis of net assets at the date of merger (7 March 2022)

	Unincorporated Charity £	CIO £	Combined Total £
Net Assets	17,416.23	6.00	17,422.23
Represented by:			
Unrestricted Funds	17,416.23	6.00	17,422.23



Barnwood Reading Room CIO

Annual Report and Unaudited Financial Statements

(Standalone Version)

**For the Reporting Period
1 January 2022 to 31 December 2022**

Legal and Administrative Information

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- include a margin for contingencies (such as a future unforeseen event outside of the Trustees control which leads to closure of the Barnwood Reading Room for a temporary period)
- are sufficient to cover maintenance costs; and
- enable the Barnwood Reading Room to continue as a financially viable entity with good quality facilities on offer to its customers.

Trustees' Report *for the period 1 January 2022 to 31 December 2022*

Financial review

During the Reporting Period, net operating income (after the merger date) was £2,416.87, driven primarily by the increased income from room hires. The vast majority of this increase was used to cover the one-off cost of the improvements described above. Allowing for one-off expenditure (after the merger date), the reserves increased by £120.11.

During the Reporting Period there was a surge in price inflation. This had a significant impact on the price of electricity and gas. The 3-year fixed rate deals on energy prices for the Barnwood Reading Room came to an end during the Reporting Period, and towards the end of the year the tariffs were switched to a new supplier.

The combination of the inflationary increases in tariffs and the ending of the fixed-rate deals means that a material increase in energy costs is anticipated in the next Reporting Period. This will be mitigated by careful adjustment of the heating of the building via the remote-controlled thermostat. Also, the installation of smart meters will enable energy use to be closely monitored.

Nevertheless, in anticipation of increased costs, and considering the need to continue making an annual contribution to reserves, the Trustees have reluctantly decided to increase to the hourly rate of hire fees.

Paying agent: cash under management

In August 2021, the trustees of the Unincorporated Charity appointed the CIO to act as its paying agent on a temporary basis, pending the merger of the Unincorporated Charity with the CIO. Details of the cash under management for this purpose during the Reporting Period are shown on page 12. On the merger date the cash under management was transferred in full to the CIO.

Future plans

The Trustees intend to:

- Register ownership of the land and buildings with the Land Registry, in the name of the CIO
- Keep the Barnwood Reading Room well-maintained
- Continue development of the governance of the CIO in line with best practice

This report has been approved by the Trustees.

.....
M Scott, Chair of the Trustees

Date: 12 June 2023

Statement of Financial Activities

	Note	<u>Reporting Period:</u> 1 January 2022 to 31 December 2022	<u>Previous Period:</u> 15 February 2021* to 31 December 2021
		Total (£)	Total (£)
Income from:			
Donations	4	56.18	6.00
Investments	5	-	-
Charitable activities	6	8,075.00	-
Other income		-	-
Total income **		8,131.18	6.00
Resources expended:			
Expenditure on charitable activities	7	8,011.07	-
Total resources expended **		8,011.07	-
Net incoming (outgoing) resources	8	120.11	6.00
Merger with Unincorporated Charity			
Transfer of assets and liabilities	14	17,416.23	-
Net movement in funds		17,536.34	-
Total funds brought forward		6.00	-
Total funds carried forward		17,542.34	6.00

* The CIO was set up as a registered charity with effect from 15 February 2021

** As these accounts have been prepared on a 'standalone' basis, all of the income and expenditure in the Reporting Period relates only to the period after the merger date (7 March 2022). This is because the activities before the merger date were carried out by the Unincorporated Charity.

Balance Sheet

	Note	Balance Sheet at 31 December 2022	Balance Sheet at 31 December 2021
		Total (£)	Total (£)
Fixed assets			
Investments	3(f)	-	-
Current assets:			
Cash at bank and in hand	9	17,652.60	6.00
Accounts receivable	10	(10.00)	-
Prepaid expenses	11	650.03	-
Total current assets		18,292.63	6.00
Creditors: amounts falling due within one year			
Accounts payable	12	(68.10)	-
Accrued expenses	13	818.39	-
Total Creditors		750.29	-
Net Current Assets		17,542.34	6.00
Total assets less current liabilities		17,542.34	6.00
The funds of the CIO:			
Unrestricted Funds	3(c)	17,542.34	6.00
Total CIO funds		17,542.34	6.00

These financial statements were approved by the Trustees and authorised for issue on 12 June 2023, and are signed on behalf of the Trustees by:

MD Scott
Chair of the Trustees

RJ Crowhurst
Trustee and Treasurer

Notes to the Financial Statements

1. General information

The CIO is a public benefit entity and a registered charity in England and Wales. It is a Charitable Incorporated Organisation. The address of the principal office is 146 Barnwood Road, Gloucester, GL4 3JT, England.

2. Statement of compliance

These financial statements have been prepared in compliance with:

- the Charities Act 2011; and
- with one exception, the Charities SOPP (FRS 102) - 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 (effective from 1 January 2019 - second edition October 2019).

The exception is that the assets, liabilities and funds of the Unincorporated Charity and the CIO are not aggregated and presented as though they had always been part of the same reporting charity. Instead, the transfer of the assets and liabilities from the Unincorporated Charity to the CIO on the merger date is shown.

To comply fully with FRS 102 regarding the merger of the Unincorporated Charity with the CIO, a separate 'consolidated' version of the 2022 accounts has also been prepared. This does aggregate the assets, liabilities and funds of the Unincorporated Charity and the CIO and presents them as though they had always been part of the same reporting charity.

3. Accounting policies

a) Basis of preparation

The financial statements are prepared in sterling, which is the functional currency of the CIO. Monetary amounts in these financial statements are shown to the exact penny. The historic cost convention is used.

b) Going concern

There are no material uncertainties about the CIO's ability to continue.

c) Fund accounting

The CIO's funds may fall into three categories:

- Unrestricted Funds available for use at the discretion of the Trustees to further any of the CIO's purposes
- Designated Funds (these are unrestricted funds earmarked by the Trustees for a particular future project or commitment)
- Restricted Funds, which are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal. They fall into one of two sub-categories: Restricted Income Funds or Endowment Funds

During the Reporting Period and the Previous Period, the CIO's funds were made up entirely of Unrestricted Funds.

Notes to the Financial Statements

d) Incoming resources

Income is recognised, on an accruals basis, when –

- the CIO is legally entitled to it
- the amounts can be measured reliably
- it is probable that income will be received

The following policies are applied to the two main sources of income for the CIO:

- Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably
- Income from the hire of the Barnwood Reading Room is recognised when receipt is probable and entitlement is established. Where an invoice has been issued on or before the end of the Reporting Period for a date of hire after the end of the Reporting Period, the income is treated as a prepayment of hire fees for an event, to be recognised beyond the end of the Reporting Period.

e) Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- Expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods
- Expenditure on charitable activities includes all costs incurred by the CIO in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the CIO that have been apportioned to charitable activities
- Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable, and consistent basis.

f) Investments

The Charities SORP (FRS 102) specifies the accounting treatment of certain defined classes of investments. During the Reporting Period the CIO did not hold any such investments (Previous Period: nil).

4. Donations and legacies

The donations during the Reporting Period of £56.18 are made up entirely of ongoing regular donations received after the merger date. (Previous Period: the £6.00 donation was a one-off donation from the Unincorporated Charity, received on 2 August 2021).

5. Investment income

The CIO did not receive or accrue any bank interest during the Reporting Period (Previous Period: nil).

Notes to the Financial Statements

6. Income from charitable activities

The income from charitable activities is all regarded as regular income from charitable activities, as shown below. As these accounts have been prepared on a 'standalone' basis, there is no income from charitable activities before the merger date. This is because the activities before the merger date were carried out by the Unincorporated Charity.

Regular income from charitable activities (after the merger date)

	Reporting Period (£)	Previous Period (£)
Room Hire	8,075.00	-

7. Expenditure on charitable activities

The expenditure on charitable activities is split between regular expenditure and one-off expenditure, as shown below. As these accounts have been prepared on a 'standalone' basis, there is no expenditure on charitable activities before the merger date. This is because the activities before the merger date were carried out by the Unincorporated Charity.

Regular expenditure on charitable activities (after the merger date)

	Reporting Period (£)	Previous Period (£)
Accounting System fees	174.00	-
Bathroom and Kitchen Supplies	345.95	-
Broadband	427.50	-
Business Rates	53.76	-
Caretaker	500.00	-
Cleaning	1,442.50	-
Domain Registration	12.00	-
Electricity Supply	504.83	-
Expenses for Room Hire / Events	35.00	-
Fire extinguisher / emergency lighting / Portable Appliance Tests	271.85	-
Gardening	125.85	-
Gas Servicing	150.00	-
Gas Supply	826.28	-
General Expenses	10.00	-
Insurance	451.80	-
Mobile Phone Receptionist	170.00	-
Music Licence	43.76	-
Postage and Packing	3.00	-
TV Licence	13.25	-
Water Supply	152.98	-
Total regular expenditure on charitable activities	5,714.31	-

One-off expenditure on charitable activities (after the merger date)

	Reporting Period (£)	Previous Period (£)
Fixtures and fittings	2,117.63	-
Repairs and maintenance	179.13	-
Total one-off expenditure on charitable activities	2,296.76	-

The overall total expenditure in the Reporting Period (after the merger date) is £8,011.07 (Previous Period: nil).

Notes to the Financial Statements

8. Net incoming (outgoing) resources

The net incoming (outgoing) resources are split into net operating income and net non-operating income, as shown below. As these accounts have been prepared on a 'standalone' basis, there are no net incoming (outgoing) resources relating to the periods before the merger date. This is because the activities before the merger date were carried out by the Unincorporated Charity.

Net Operating income (after the merger date)

	Reporting Period (£)	Previous Period (£)
Ongoing regular donations	56.18	
Regular income on charitable activities	8,075.00	-
Regular expenditure on Charitable activities	(5,714.31)	-
Total net operating income	2,416.87	-

Net non-operating income (after the merger date)

	Reporting Period (£)	Previous Period (£)
One-off donations	-	6.00
One-off income on charitable activities	-	-
One-off expenditure on Charitable activities	(2,296.76)	-
Total net non-operating income	(2,296.76)	6.00

The overall total net incoming (outgoing) resources in the Reporting Period (after the merger date) is £120.11 (Previous Period: £6.00)

9. Cash in bank and in hand

31 December 2022: cash at bank and in hand consists entirely of a balance of £17,652.60 in the NatWest current account (2021: £6.00 in NatWest).

10. Accounts receivable

31 December 2022: Accounts Receivable consists of a credit of £10.00, held by the CIO to offset against a customer's future invoice (2021: nil)

11. Prepaid expenses

31 December 2022: Prepaid expenses £650.03 (2021: nil) are made up of:

	31 December 2022 (£)	31 December 2021 (£)
Prepaid business rates	21.62	-
Prepaid domain registration	1.68	-
Prepaid electricity and gas supply	346.93	-
Prepaid music licence	87.52	-
Prepaid TV licence	145.75	-
Prepaid water supply	46.53	-

Notes to the Financial Statements

12. Accounts payable

31 December 2022: Accounts payable £(68.10) consists of:

- a credit of £100.00 issued by the electricity and gas supplier,
- offset by an expense claim of £31.90 that was settled just after the end of the Reporting Period.

(2021: nil)

13. Accrued expenses

31 December 2022: Accrued expenses consists of the electricity and gas supply cost of energy used from 13 November 2022 to 31 December 2022, of £818.39, which was billed by the supplier after the end of the Reporting Period (2021: nil)

14. Merger with Unincorporated Charity: transfer of assets and liabilities

The breakdown of the transfer on the merger date (7 March 2022) is as follows:

Transfer of:	£
a) Cash held by the Unincorporated Charity	14,276.71
b) Cash held under management by the CIO on behalf of the Unincorporated Charity	2,954.14
c) Asset representing amounts due in respect of unpaid invoices issued by the Unincorporated Charity	292.50
d) Asset representing prepaid expenses held by the Unincorporated Charity	487.60
e) Liability for amounts owing in respect of credit notes issued by the Unincorporated Charity	(32.50)
f) Liability for unpaid expenses accrued by the Unincorporated Charity	(167.22)
g) Liability for invoices issued by the Unincorporated Charity before the merger date for the hire of the Barnwood Reading Room on dates after the merger date. <u>Note:</u> As they are for the hire of the Barnwood Reading Room on dates after the merger date, these invoices are recorded in the accounts of the CIO as post-merger income. In effect, the Unincorporated Charity had issued these invoices on behalf of the CIO and it owed the CIO an amount equivalent to the total of the amounts stated on these invoices.	(395.00)
Total transfer of assets and liabilities	17,416.23

Notes to the Financial Statements

15. Staff costs

The average head count of employees during the Reporting Period was Nil (Previous Period: nil).

No employee received employee benefits of more than £60,000 during the Reporting Period (Previous Period: nil).

16. Trustee remuneration and expenses

None of the Trustees received remuneration or incurred expenses during the Reporting Period (Previous Period: nil).

17. Related parties

There were no disclosable related party transactions during the Reporting Period (Previous Period: nil).

Paying Agent: Cash Under Management

In August 2021, the trustees of the Unincorporated charity appointed the CIO to act as its paying agent on a temporary basis, pending the merger of the unincorporated charity with the CIO.

The CIO opened a bank account with NatWest Bank, and the unincorporated charity made a deposit of £1,000 into this account. This was made up of:

- a donation to the CIO of £6 (£1.00 per Trustee); and
- an initial amount of £994 to be held separately by the CIO on behalf of the Unincorporated Charity (the "cash under management").

On the merger date (7 March 2022) the balance on the NatWest bank account was £2,960.14, made up of:

- the £6.00 donation to the CIO; and
- £2,954.14 of cash under management.

The change in cash under management is summarised below.

Cash under management	Notes	<u>Reporting Period:</u> 1 January 2022 to 31 December 2022	<u>Previous Period:</u> 15 February 2021* to 31 December 2021
		Total (£)	Total (£)
Opening amount		2,617.00	-
Initial amount of cash under management (deposit made mid-way through the Previous Period)	A	-	994.00
Plus: Income collected on behalf of the Unincorporated Charity	B, C	1,595.07	2,999.06
Less: Expenses settled on behalf of the Unincorporated Charity	B, C	(1,257.93)	(1,376.06)
Transfer to the CIO	D	(2,954.14)	-
Closing amount	E	-	2,617.00

* The CIO was set up as a registered charity with effect from 15 February 2021

Notes

- A** The initial amount of cash under management was received from the Unincorporated Charity on 2 August 2021.
- B** The income collected and expenses settled during the Reporting Period occurred between 1 January 2022 and 7 March 2022.
- C** The income collected and expenses settled during the Previous Period occurred between 2 August 2021 and 31 December 2021.
- D** Ownership of the cash under management transferred to the CIO on 7 March 2022.
- E** The cash under management is included in the Unincorporated Charity's accounts.