

Charity registration number: 235569

Paulsgrove Community Association

Annual Report and Financial Statements

for the Year Ended 31 March 2023

Paulsgrove Community Association

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Paulsgrove Community Association

Reference and Administrative Details

Trustees	Mr D Horne
	Mrs M Horne
	Mrs M Russell
	Mrs C Hill
	Mr T Bryant
Charity Registration Number	235569
Principal Office	C/O 56 Colebourne Road Portsmouth Hampshire PO6 4EA
Accountant	MMO Limited Chartered Accountants and Statutory Auditors Wellesley House 204 London Road Waterlooville Hampshire PO7 7AN
Bankers	Barclays Bank PLC Cosham Branch Portsmouth Hampshire

Paulsgrove Community Association

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2023.

Objectives and activities

Objects and aims

The objectives of the Charity are:

- A) To promote the benefit of ALL the inhabitants of Paulsgrove and the neighbourhood.
- B) To maintain and manage the Community Centre so that voluntary and community organisations have a place to meet, children and young people have sport facilities and there is a place for people to meet and a franchised cafe to provide meals.

Public benefit

Given the restriction placed on the PCA by not managing the community centre and therefore not having a base, its main activity has been to run a weekly Monday club. This club is for its members to meet socially for refreshments, trips out and other activities. The aim is to combat loneliness, to get residents out and meeting up once a week.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Financial review

Paulsgrove Community Association

Trustees' Report (continued)

The Trustees present their Annual report together with the financial statements of the charity for the year ending 31 st March 2023.

We started the year (2022) with 23 paid members of the Association who were able to meet every Monday (except Bank Holidays) at St.Michael and All Angels church in Paulsgrove.

Members enjoyed the Annual summer trip/visit and lunch to Southsea Castle on the 29 th August.

Our Christmas social meal out was held at the Harbour Lights with members enjoying and participating in the Christmas spirit. We gave all paid up members a Tesco gift voucher within a Christmas card as a seasonal gift. Some members were also able to join in a community Christmas lunch provided by the Beacon View Primary School on the 23 rd December.

During the year the charity received a donation of €50k from the Beneficial Foundation as that charity was closing down and its remaining funds were distributed to other charities. Its charitable objectives were to advance the education, training and rehabilitation of persons who, through their social or economic circumstances, are in need and unable to gain employment or further their education.

Association income is from the weekly meetings by members playing bingo, holding raffles, membership fees and donations. Expenditure is mainly from the storage of equipment and boxes of accounts and records that need to be kept for at least 6 years and trips out and tokens.

We have made enquiries to the local council in regards to taking over an empty shop on the high street to promote the association. And to provide a service to the community like a clothing /toy bank and advice service. At the moment a budget to make it financially viable is proving difficult unless we can obtain a start up fund. We will keep pursuing.

Policy on reserves

In holding the reserves, this association will follow charity Commission guidelines on reserves

These include:

Protecting against decline or interruption of future sources of income – discretionary grants for example may cease or reduce and new sources of revenue have to be found.

Provide for regular fluctuations in income and expenditure – incomings and outgoings are unlikely to coincide exactly. Money may need to be set aside to meet regular quarterly or annual bills. Income may peak at a particular time of year, perhaps as a result of a regular and successful annual appeal and need to be set aside to cover leaner months.

Ensure continuity in its provision of a service. The service provided by many charities is an integral and essential part of the lives of beneficiaries. To have to withdraw or cut back with little or no notice could cause very real hardship.

Going concern

The future of the Association has been discussed and has been agreed that it will be continued albeit fulfilling only one of its charity objectives of promoting the benefit of all the inhabitants of Paulsgrove and the area of benefit . This will be reviewed annually depending on its financial ability to operate and working with other agencies.

Structure, governance and management

Nature of governing document

Paulsgrove Community Association is a registered Charity No: 235569 and is governed by its constitution which was adopted in 1993 and amended in 1999 and 2007.

Paulsgrove Community Association

Trustees' Report (continued)

Recruitment and appointment of trustees

Trustees are appointed by the members at the Annual General Meeting in accordance with the constitution, induction and training is provided when necessary.

Organisational structure

The Board of Trustees meet regularly to administer the Charity. Day to day operations are overseen by Trustees in the absence of a Manager.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Cash flow risk

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Statement of Trustees' Responsibilities

Paulsgrove Community Association

Trustees' Report (continued)

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Paulsgrove Community Association

Trustees' Report (continued)

The annual report was approved by the trustees of the charity on 20 November 2023 and signed on its behalf by:

.....
Mr D Horne
Trustee

.....
Mrs M Russell
Trustee

Paulsgrove Community Association

Independent Examiner's Report to the trustees of Paulsgrove Community Association

I report to the trustees on my examination of the accounts of Paulsgrove Community Association for the year ended 31 March 2023.

Responsibilities and basis of report

As the charity trustees of Paulsgrove Community Association 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 Paulsgrove Community Association'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 Paulsgrove Community Association as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

.....
Gillian McIntosh
Chartered Accountants and Statutory Auditors

Wellesley House
204 London Road
Waterlooville
Hampshire
PO7 7AN

23 November 2023

Paulsgrove Community Association

Statement of Financial Activities for the Year Ended 31 March 2023

	Note	Unrestricted funds £	Total 2023 £
Income and Endowments from:			
Donations and legacies		50,000	50,000
Charitable activities		<u>1,111</u>	<u>1,111</u>
Total income		<u>51,111</u>	<u>51,111</u>
Expenditure on:			
Charitable activities		<u>(4,225)</u>	<u>(4,225)</u>
Total expenditure		<u>(4,225)</u>	<u>(4,225)</u>
Net income		<u>46,886</u>	<u>46,886</u>
Net movement in funds		46,886	46,886
Reconciliation of funds			
Total funds brought forward		<u>29,524</u>	<u>29,524</u>
Total funds carried forward	11	<u>76,410</u>	<u>76,410</u>
	Note	Unrestricted funds £	Total 2022 £
Income and Endowments from:			
Charitable activities		<u>761</u>	<u>761</u>
Total income		<u>761</u>	<u>761</u>
Expenditure on:			
Charitable activities		<u>(3,671)</u>	<u>(3,671)</u>
Total expenditure		<u>(3,671)</u>	<u>(3,671)</u>
Net expenditure		<u>(2,910)</u>	<u>(2,910)</u>
Net movement in funds		(2,910)	(2,910)
Reconciliation of funds			
Total funds brought forward		<u>32,435</u>	<u>32,435</u>
Total funds carried forward	11	<u>29,525</u>	<u>29,525</u>

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2022 is shown in note 11.

Paulsgrove Community Association

**(Registration number: 235569)
Balance Sheet as at 31 March 2023**

	Note	2023 £	2022 £
Current assets			
Cash at bank and in hand	9	77,611	30,724
Creditors: Amounts falling due within one year	10	<u>(1,201)</u>	<u>(1,199)</u>
Net assets		<u>76,410</u>	<u>29,525</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>76,410</u>	<u>29,525</u>
Total funds	11	<u>76,410</u>	<u>29,525</u>

The financial statements on pages 8 to 17 were approved by the trustees, and authorised for issue on 20 November 2023 and signed on their behalf by:

.....
Mr D Horne
Trustee

.....
Mrs M Russell
Trustee

Paulsgrove Community Association

Notes to the Financial Statements for the Year Ended 31 March 2023

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Paulsgrove Community Association meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) 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.

Going concern

Portsmouth City Council made the decision to end the Service Level Agreement with PCA as from the 19th March 2018. This decision has meant that the PCA cannot carry out its charitable objective 'to maintain and manage the Community Centre' and there is uncertainty in respect of going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Paulsgrove Community Association

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Paulsgrove Community Association

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Paulsgrove Community Association

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Paulsgrove Community Association

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

2 Income from donations and legacies

	Unrestricted funds Designated £	Total funds £
Grants, including capital grants;		
Grants from other charities	50,000	50,000
Total for 2023	<u>50,000</u>	<u>50,000</u>

3 Income from charitable activities

	Unrestricted funds General £	Total funds £
	1,111	1,111
Total for 2023	<u>1,111</u>	<u>1,111</u>
Total for 2022	<u>761</u>	<u>761</u>

Paulsgrove Community Association

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

4 Expenditure on charitable activities

	Note	Unrestricted funds General £	Total funds £
		4,225	4,225
Total for 2022		<u>3,351</u>	<u>3,351</u>

	Grant funding of activity £	Total expenditure £
Rent	2,358	2,358
Miscellaneous	1,258	1,258
Accountancy fees	609	609
Total for 2023	<u>4,225</u>	<u>4,225</u>
Total for 2022	<u>3,671</u>	<u>3,671</u>

5 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

2023
£

6 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

7 Staff costs

The aggregate payroll costs were as follows:

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

2023
No

No employee received emoluments of more than £60,000 during the year

Paulsgrove Community Association

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

8 Taxation

The charity is a registered charity and is therefore exempt from taxation.

9 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	<u>77,611</u>	<u>30,724</u>

10 Creditors: amounts falling due within one year

	2023 £	2022 £
Other creditors	1	(1)
Accruals	<u>1,200</u>	<u>1,200</u>
	<u>1,201</u>	<u>1,199</u>

Paulsgrove Community Association

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

11 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
Unrestricted funds				
<i>General</i>				
General	<u>29,525</u>	<u>51,111</u>	<u>(4,226)</u>	<u>76,410</u>
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Unrestricted funds				
<i>General</i>				
General	<u>32,435</u>	<u>761</u>	<u>(3,671)</u>	<u>29,525</u>

12 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 March 2023 £
Current assets	77,611	77,611
Current liabilities	<u>(1,201)</u>	<u>(1,201)</u>
Total net assets	<u>76,410</u>	<u>76,410</u>

13 Related party transactions

Paulsgrove Community Association

Statement of Financial Activities by fund for the Year Ended 31 March 2023

	Total Unrestricted Funds 2023 £	Total Unrestricted Funds 2022 £
Income and Endowments from:		
Donations and legacies	50,000	-
Charitable activities	<u>1,111</u>	<u>761</u>
Total income	<u>51,111</u>	<u>761</u>
Expenditure on:		
Charitable activities	<u>(4,225)</u>	<u>(3,671)</u>
Total expenditure	<u>(4,225)</u>	<u>(3,671)</u>
Net income/(expenditure)	<u>46,886</u>	<u>(2,910)</u>
Net movement in funds	46,886	(2,910)
Reconciliation of funds		
Total funds brought forward	<u>29,524</u>	<u>32,435</u>
Total funds carried forward	<u><u>76,410</u></u>	<u><u>29,525</u></u>

Paulsgrove Community Association

**Statement of Financial Activities by fund for the Year Ended 31 March 2023
(continued)**

	Total Restricted Funds 2023 £	Total Restricted Funds 2022 £
Income and Endowments from:		
Expenditure on:		
Net income/(expenditure)	<u>-</u>	<u>-</u>
Reconciliation of funds		
Total funds carried forward	<u><u>-</u></u>	<u><u>-</u></u>

Paulsgrove Community Association

Detailed Statement of Financial Activities for the Year Ended 31 March 2023

	Total 2023 £	Total 2022 £
<i>Donations and legacies</i>		
Grants - other agencies	50,000	-
	<u>50,000</u>	<u>-</u>
<i>Charitable activities</i>		
Canteen and foods	1,111	761
	<u>1,111</u>	<u>761</u>
<i>Charitable activities</i>		
Rent	(2,358)	(2,443)
Insurance	-	(270)
General	(1,258)	(305)
Travel and subsistence	-	(50)
Independent examiner's fee	(609)	(603)
	<u>(4,225)</u>	<u>(3,671)</u>