

# THE CROFTON COMMUNITY ASSOCIATION

England & Wales · Charity number 301794

## Details

|             |                                                         |
|-------------|---------------------------------------------------------|
| Other names | CROFTON COMMUNITY CENTRE                                |
| Status      | Registered                                              |
| Legal form  | Other                                                   |
| Registered  | 1965-02-25                                              |
| Register    | <a href="#">View on the Charity Commission register</a> |

## Contact

|         |                                                                                    |
|---------|------------------------------------------------------------------------------------|
| Address | Crofton Community Centre<br>Stubbington Lane<br>Fareham<br>Hampshire<br>PO14 2PP   |
| Phone   | 01329662821                                                                        |
| Email   | <a href="mailto:manager@croftoncommunity.co.uk">manager@croftoncommunity.co.uk</a> |
| Website | <a href="http://www.croftoncommunity.co.uk">www.croftoncommunity.co.uk</a>         |

## Activities

**Objects:** (A) TO PROMOTE FOR THE BENEFIT OF THE INHABITANTS OF THE STUBBINGTON AND HILL HEAD WARDS OF THE FAREHAM BOROUGH COUNCIL (HEREINAFTER CALLED "THE AREA OF BENEFIT"), WITHOUT DISTINCTION OF AGE, SEX, ABILITY, SEXUAL ORIENTATION, RACE OR POLITICAL, RELIGIOUS OR OTHER OPINIONS, BY ASSOCIATING TOGETHER THE SAID INHABITANTS AND THE LOCAL AUTHORITIES, VOLUNTARY AND OTHER ORGANISATIONS IN A COMMON EFFORT TO ADVANCE EDUCATION, AND TO PROVIDE FACILITIES IN THE INTEREST OF SOCIAL WELFARE, FOR RECREATION AND LEISURE TIME OCCUPATIONS WITH THE OBJECT OF IMPROVING THE CONDITIONS OF LIFE FOR THE SAID INHABITANTS.(B) TO ESTABLISH OR TO SECURE THE ESTABLISHMENT OF A COMMUNITY CENTRE (HEREINAFTER CALLED "THE CENTRE"), TO MAINTAIN AND MANAGE THE CENTRE, AND TO CO-OPERATE WITH ANY LOCAL STATUTORY AUTHORITY IN THE MAINTENANCE AND MANAGEMENT OF SUCH A CENTRE, FOR ACTIVITIES PROMOTED BY THE ASSOCIATION AND ITS CONSTITUENT BODIES IN FURTHERANCE OF THE ABOVE OBJECTS.(C) NON-PARTY IN POLITICS AND NON-SECTARIAN IN RELIGION.

**Activities:** The promotion of benefit for the inhabitants of Stubbington and Hill Head Wards of Fareham Borough Council in association with local authorities and other organisations in a common effort to advance education and to provide recreation and leisure facilities.

## Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** General Charitable Purposes, Education/training, Arts/culture/heritage/science, Amateur Sport, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

## Geography

- **Area of benefit:** STUBBINGTON AND HILL HEAD WARDS OF FAREHAM BOROUGH COUNCIL
- Hampshire

## Finances

| Period end | Income   | Expenditure | Assets | Employees |
|------------|----------|-------------|--------|-----------|
| 2025-02-28 | £255,423 | £275,848    | -      | -         |
| 2024-02-29 | £230,195 | £263,148    | -      | -         |
| 2023-02-28 | £214,845 | £242,721    | -      | -         |
| 2022-02-28 | £224,142 | £189,044    | -      | -         |
| 2021-02-28 | £222,609 | £208,282    | -      | -         |

## Trustees

| Name                    | Role  | Appointed  |
|-------------------------|-------|------------|
| David Malcolm Lewis MBE | Chair | 2016-05-09 |
| ANN HAYES               |       |            |
| JOANNE HOLDEN           |       |            |
| Steve Dugan             |       | 2018-06-07 |
| Steve Murray            |       | 2023-05-15 |

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# Accounts

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Charity registration number: 301794

# The Crofton Community Association

Annual Report and Financial Statements

for the Year Ended 28 February 2025

# **The Crofton Community Association**

## **Contents (continued)**

|                                      |         |
|--------------------------------------|---------|
| Reference and Administrative Details | 1 to 3  |
| Trustees' Report                     | 4 to 5  |
| Independent Examiner's Report        | 6       |
| Statement of Financial Activities    | 7       |
| Balance Sheet                        | 8       |
| Notes to the Financial Statements    | 9 to 18 |

## **The Crofton Community Association**

### **Reference and Administrative Details**

#### **Trustees**

Mr D M Lewis MBE, Chairman

Mrs J Holden, Hon Secretary

Cllr S Dugan, FBC Representative

Mrs A Hayes

Mr S Murray

#### **Co-opt Members of Management Committee**

Mrs K Mandry

Cllr P Hayre

## **The Crofton Community Association**

### **Reference and Administrative Details (continued)**

#### **Full Council**

Ms A Hayes

Mrs J Holden, Honorary Secretary

Mr S Murray

Mr J Forrest

Mr G Ross

Mr A Lewis

Mr M Lewis, Chairman

Mrs K Mandry

Mr M Williams

Mrs J Wingate

Mrs J McCreedy

Cllr S Dugan, FBC Representative (re-appointed May 2020)

Mr A Hathaway

Cllr P Hayre

#### **Principal Office**

Crofton Community Centre  
Stubbington Lane  
Stubbington  
Fareham  
PO14 2PP

#### **Charity Registration Number**

301794

## **The Crofton Community Association**

### **Reference and Administrative Details (continued)**

#### **Bankers**

United Trust Bank  
1 Ropemaker Street  
London  
EC2Y 9AW

Hampshire Trust Bank  
131 Finsbury Pavement  
London  
EC2A 1NT

Barclays Bank Plc  
Fareham  
67-69 West Street  
Fareham  
Hampshire  
PO16 0AW

Unity Trust Bank Plc  
9 Brindley Place  
Birmingham  
B1 2HB

Cambridge & Counties Bank Limited  
Charnwood Court  
New Walk  
Leicester  
LE1 6TE

#### **Accountant/Bookkeeper**

J Humphry Associates Limited  
11a Stubbington Green  
Fareham  
Hampshire  
PO14 2JG

#### **Auditor**

MMO Limited  
Chartered Accountants and Statutory Auditors  
Wellesley House  
204 London Road  
Waterlooville  
Hampshire  
PO7 7AN

#### **Solicitors**

Churchers  
12 High Street  
Fareham  
PO16 7BL

# **The Crofton Community Association**

## **Trustees' Report**

### **Review of Activities**

As we prepare for the handover of operational responsibility to Crofton Community Hub, we acknowledge with both pride and sadness that this marks the final full set of annual accounts for Crofton Community Association, which has served the community continuously since 1965. Our centre once again remained well-used by long-standing and new groups alike, membership levels have held steady, reaffirming the essential role we play at the heart of the community.

As has been the experience for many organisations across the voluntary and community sector this year, the financial climate has remained extremely challenging. Rising utilities, inflationary pressures, and increasing maintenance needs have continued to place strain on our resources. We also undertook necessary improvements across several areas, recognising that providing a safe and welcoming facility remains core to our charitable purpose.

2024/25 has been a landmark year and we are pleased to report the formal establishment of Crofton Community Hub (CCH)—the new Charitable Incorporated Organisation (CIO) that will carry forward the work previously undertaken and overseen by CCA. The CIO Working Group has continued to meet regularly, ensuring disciplined progress throughout the year, supported by legal guidance and sustained engagement with the Charity Commission. This effort has culminated in CCH being in the position to assume day-to-day operations from 1 March 2025, with CCA thereafter focusing on the structured transfer of assets and responsibilities.

### **Future Developments and Transition to Crofton Community Hub (CCH)**

The principal focus for the year ahead is to ensure a smooth, compliant, and well-managed transition of operational responsibilities to Crofton Community Hub. While CCA will continue to exist temporarily to steward the final phases of asset transfer and legal closure, CCH will become the primary operational body serving the community from March onward.

### **Summary of Financial Position**

The wider financial environment of 2024/25 has remained difficult. Income levels improved across several areas, with total income rising to £255,423 (2024: £230,195), reflecting higher usage as well as increased investment income.

However, expenditure, driven by inflation, higher energy costs, and essential maintenance, rose to £275,848 (2024: £263,148). This resulted in a net deficit of £20,425, an improvement on last year's deficit of £32,953, but still reflective of the pressures faced by the organisation.

The Association's total funds at year end stood at £415,119, Whilst this remains a strong position, it continues a gradual year-on-year reduction (2024: £435,544). Trustees remain committed to careful stewardship of reserves throughout the final phase of CCA's existence, ensuring that the transfer to CCH is undertaken from a position of financial strength and transparency.

### **A Closing Reflection: The Final Chapter of Crofton Community Association**

Across six decades, CCA has weathered societal change, economic challenges, shifts in legislation, and vast developments in the needs and expectations of the community. Through it all, the Association has remained steadfast in its purpose to provide an accessible, welcoming, venue providing meaningful opportunities for local people to come together. The establishment of CCH is not an ending of that purpose, but the next stage of its continual renewal.

## **The Crofton Community Association**

### **Trustees' Report (continued)**

CCA will continue to exist only for as long as required to complete the careful transfer of assets, responsibilities, and legal commitments to CCH. Once this work is complete, CCA will be formally laid to rest.

#### **Our Thanks**

The current trustees wish to express their profound and heartfelt thanks to all who have supported, guided, visited and worked for Crofton Community Association. Above all, to all the trustees, committee members and other volunteers who have given freely of their energy, time, skills, and passion - thank you, without you, none of this would have been possible.

We look forward with optimism to the future under Crofton Community Hub, and we wish the new charity every success as it carries forward the legacy, values, and community spirit that have defined CCA for 60 years.

The annual report was approved by the trustees of the charity on 18/12/25 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D M Lewis', followed by a long horizontal flourish.

.....  
Mr D M Lewis MBE  
Trustee

## **The Crofton Community Association**

### **Independent Examiner's Report to the trustees of The Crofton Community Association**

I report to the trustees on my examination of the accounts of The Crofton Community Association for the year ended 28 February 2025.

#### **Responsibilities and basis of report**

As the charity trustees of The Crofton 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 The Crofton 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**

Since The Crofton Community Association's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of , which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of The Crofton 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

Date:.....

## The Crofton Community Association

### Statement of Financial Activities for the Year Ended 28 February 2025

|                                    | Note | Unrestricted<br>£ | Total<br>2025<br>£ |
|------------------------------------|------|-------------------|--------------------|
| <b>Income and Endowments from:</b> |      |                   |                    |
| Charitable activities              | 2    | 229,920           | 229,920            |
| Investment income                  | 3    | 7,523             | 7,523              |
| Other income                       | 4    | 17,980            | 17,980             |
| Total Income                       |      | <u>255,423</u>    | <u>255,423</u>     |
| <b>Expenditure on:</b>             |      |                   |                    |
| Charitable activities              | 5    | (275,848)         | (275,848)          |
| Total Expenditure                  |      | <u>(275,848)</u>  | <u>(275,848)</u>   |
| Net movement in funds              |      | (20,425)          | (20,425)           |
| <b>Reconciliation of funds</b>     |      |                   |                    |
| Total funds brought forward        |      | <u>435,544</u>    | <u>435,544</u>     |
| Total funds carried forward        | 16   | <u>415,119</u>    | <u>415,119</u>     |
|                                    | Note | Unrestricted<br>£ | Total<br>2024<br>£ |
| <b>Income and Endowments from:</b> |      |                   |                    |
| Charitable activities              | 2    | 205,869           | 205,869            |
| Investment income                  | 3    | 6,403             | 6,403              |
| Other income                       | 4    | 17,923            | 17,923             |
| Total Income                       |      | <u>230,195</u>    | <u>230,195</u>     |
| <b>Expenditure on:</b>             |      |                   |                    |
| Charitable activities              | 5    | (263,148)         | (263,148)          |
| Total Expenditure                  |      | <u>(263,148)</u>  | <u>(263,148)</u>   |
| Net movement in funds              |      | (32,953)          | (32,953)           |
| <b>Reconciliation of funds</b>     |      |                   |                    |
| Total funds brought forward        |      | <u>468,497</u>    | <u>468,497</u>     |
| Total funds carried forward        | 16   | <u>435,544</u>    | <u>435,544</u>     |

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2024 is shown in note 16.

The notes on pages 9 to 18 form an integral part of these financial statements.

**The Crofton Community Association**

**(Registration number: 301794)**  
**Balance Sheet as at 28 February 2025**

|                                                       | Note | 2025<br>£       | 2024<br>£       |
|-------------------------------------------------------|------|-----------------|-----------------|
| <b>Fixed assets</b>                                   |      |                 |                 |
| Tangible assets                                       | 12   | 69,718          | 64,969          |
| <b>Current assets</b>                                 |      |                 |                 |
| Debtors                                               | 13   | 10,457          | 14,916          |
| Cash at bank and in hand                              | 14   | <u>351,478</u>  | <u>367,479</u>  |
|                                                       |      | 361,935         | 382,395         |
| <b>Creditors: Amounts falling due within one year</b> | 15   | <u>(16,534)</u> | <u>(11,820)</u> |
| <b>Net current assets</b>                             |      | <u>345,401</u>  | <u>370,575</u>  |
| <b>Net assets</b>                                     |      | <u>415,119</u>  | <u>435,544</u>  |
| <b>Funds of the charity:</b>                          |      |                 |                 |
| <b>Unrestricted income funds</b>                      |      |                 |                 |
| Unrestricted funds                                    |      | <u>415,119</u>  | <u>435,544</u>  |
| <b>Total funds</b>                                    | 16   | <u>415,119</u>  | <u>435,544</u>  |

The financial statements on pages 7 to 18 were approved by the trustees, and authorised for issue on 18/12/25 and signed on their behalf by:



.....  
Mr D M Lewis MBE  
Trustee

# **The Crofton Community Association**

## **Notes to the Financial Statements for the Year Ended 28 February 2025**

### **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**

The Crofton 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**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### **Income and endowments**

##### ***Investment income***

Investment income is recognised on a receivable basis.

##### ***Charitable activities***

Income from charitable activities includes income recognised as earned (as the related goods or services) under contract.

#### **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.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including preparation and examination of the accounts, bank charges and the cost of any legal advice to trustees' on governance or constitutional matters.

## **The Crofton Community Association**

### **Notes to the Financial Statements for the Year Ended 28 February 2025 (continued)**

#### **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.

#### **Tangible fixed assets**

Individual fixed assets costing £45.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

| <b>Asset class</b>     | <b>Depreciation method and rate</b> |
|------------------------|-------------------------------------|
| Computer equipment     | 33% straight line                   |
| Fixtures and fittings  | 25% straight line                   |
| Equipment              | 20% straight line                   |
| Leasehold improvements | 5% straight line                    |
| Property works         | 10% straight line                   |

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business and are measured at cost, reviewed annually for impairment.

#### **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.

#### **Trade creditors**

Trade and other creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities unless there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

They are recognised initially at the transaction price.

## **The Crofton Community Association**

### **Notes to the Financial Statements for the Year Ended 28 February 2025 (continued)**

#### **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.

#### **Pensions and other post retirement obligations**

The costs arising on the charity's defined contribution schemes are recognised in the SOFA in the period in which the related service is provided.

#### **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.

##### ***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.

## **The Crofton Community Association**

### **Notes to the Financial Statements for the Year Ended 28 February 2025 (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.

#### ***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.

## The Crofton Community Association

### Notes to the Financial Statements for the Year Ended 28 February 2025 (continued)

#### 2 Income from charitable activities

|                        | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>2025<br/>£</b> | <b>Total<br/>2024<br/>£</b> |
|------------------------|-------------------------------------------------|-----------------------------|-----------------------------|
| Hammond Wing           | 95,625                                          | 95,625                      | 81,003                      |
| Sports Hall Wing       | 62,983                                          | 62,983                      | 58,953                      |
| Crofton Hall Link Wing | 53,126                                          | 53,126                      | 50,057                      |
| Subscriptions          | 18,186                                          | 18,186                      | 15,856                      |
|                        | <u>229,920</u>                                  | <u>229,920</u>              | <u>205,869</u>              |
|                        |                                                 |                             | <b>Total<br/>2025<br/>£</b> |

#### 3 Investment income

|                                         | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>2025<br/>£</b> | <b>Total<br/>2024<br/>£</b> |
|-----------------------------------------|-------------------------------------------------|-----------------------------|-----------------------------|
| Interest receivable and similar income; |                                                 |                             |                             |
| Interest receivable on bank deposits    | 7,523                                           | 7,523                       | 6,403                       |
|                                         | <u>7,523</u>                                    | <u>7,523</u>                | <u>6,403</u>                |

#### 4 Other income

|                                   | <b>Unrestricted<br/>General<br/>£</b> | <b>Total<br/>2025<br/>£</b> | <b>Total<br/>2024<br/>£</b> |
|-----------------------------------|---------------------------------------|-----------------------------|-----------------------------|
| Other income                      | 647                                   | 647                         | 251                         |
| Fareham Borough Council recharges | 17,333                                | 17,333                      | 17,672                      |
|                                   | <u>17,980</u>                         | <u>17,980</u>               | <u>17,923</u>               |

## The Crofton Community Association

### Notes to the Financial Statements for the Year Ended 28 February 2025 (continued)

#### 5 Expenditure on charitable activities

|                                                    |      | Unrestricted   |                    |                    |
|----------------------------------------------------|------|----------------|--------------------|--------------------|
|                                                    | Note | General<br>£   | Total<br>2025<br>£ | Total<br>2024<br>£ |
| Direct costs of charitable activities              |      | 88,994         | 88,994             | 92,042             |
| Depreciation, amortisation and other similar costs |      | 17,235         | 17,235             | 12,505             |
| Staff costs                                        |      | 163,731        | 163,731            | 155,910            |
| Governance costs including examiners fees          |      | 5,888          | 5,888              | 2,691              |
|                                                    |      | <u>275,848</u> | <u>275,848</u>     | <u>263,148</u>     |

## **The Crofton Community Association**

### **Notes to the Financial Statements for the Year Ended 28 February 2025 (continued)**

#### **6 Analysis of governance and support costs**

##### **Governance costs**

|                                   | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>2025<br/>£</b> | <b>Total<br/>2024<br/>£</b> |
|-----------------------------------|-------------------------------------------------|-----------------------------|-----------------------------|
| Audit fees                        |                                                 |                             |                             |
| Audit of the financial statements | 1,253                                           | 1,253                       | 1,248                       |
| Legal fees                        | 3,298                                           | 3,298                       | 211                         |
| Other governance costs            | 1,337                                           | 1,337                       | 1,232                       |
|                                   | <u>5,888</u>                                    | <u>5,888</u>                | <u>2,691</u>                |

#### **7 Net incoming/outgoing resources**

Net outgoing resources for the year include:

|                              | <b>2025<br/>£</b> | <b>2024<br/>£</b> |
|------------------------------|-------------------|-------------------|
| Audit fees                   | 1,253             | 1,248             |
| Depreciation of fixed assets | <u>17,235</u>     | <u>12,505</u>     |

#### **8 Trustees remuneration and expenses**

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

## The Crofton Community Association

### Notes to the Financial Statements for the Year Ended 28 February 2025 (continued)

#### 9 Staff costs

The aggregate payroll costs were as follows:

|                                          | 2025<br>£      | 2024<br>£      |
|------------------------------------------|----------------|----------------|
| <b>Staff costs during the year were:</b> |                |                |
| Wages and salaries                       | 149,257        | 142,515        |
| Social security costs                    | 11,811         | 10,134         |
| Pension costs                            | 2,663          | 3,261          |
|                                          | <u>163,731</u> | <u>155,910</u> |

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:

|                                         | 2025<br>No | 2024<br>No |
|-----------------------------------------|------------|------------|
| Charitable activities - Full time staff | -          | 4          |
| Charitable activities - Part time staff | -          | 3          |
|                                         | <u>-</u>   | <u>7</u>   |

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

#### 10 Auditors' remuneration

|                                   | 2025<br>£    | 2024<br>£    |
|-----------------------------------|--------------|--------------|
| Audit of the financial statements | <u>1,253</u> | <u>1,248</u> |

## The Crofton Community Association

### Notes to the Financial Statements for the Year Ended 28 February 2025 (continued)

#### 11 Taxation

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

#### 12 Tangible fixed assets

|                       | Land and<br>buildings<br>£ | Furniture and<br>equipment<br>£ | Total<br>£ |
|-----------------------|----------------------------|---------------------------------|------------|
| <b>Cost</b>           |                            |                                 |            |
| At 1 March 2024       | 99,202                     | 138,558                         | 237,760    |
| Additions             | 1,553                      | 20,431                          | 21,984     |
| At 28 February 2025   | 100,755                    | 158,989                         | 259,744    |
| <b>Depreciation</b>   |                            |                                 |            |
| At 1 March 2024       | 62,420                     | 110,371                         | 172,791    |
| Charge for the year   | 5,929                      | 11,306                          | 17,235     |
| At 28 February 2025   | 68,349                     | 121,677                         | 190,026    |
| <b>Net book value</b> |                            |                                 |            |
| At 28 February 2025   | 32,406                     | 37,312                          | 69,718     |
| At 29 February 2024   | 36,782                     | 28,187                          | 64,969     |

#### 13 Debtors

|               | 2025<br>£ | 2024<br>£ |
|---------------|-----------|-----------|
| Trade debtors | 4,197     | 9,915     |
| Prepayments   | 6,260     | 5,001     |
|               | 10,457    | 14,916    |

#### 14 Cash and cash equivalents

|              | 2025<br>£ | 2024<br>£ |
|--------------|-----------|-----------|
| Cash at bank | 351,478   | 367,479   |

## The Crofton Community Association

### Notes to the Financial Statements for the Year Ended 28 February 2025 (continued)

#### 15 Creditors: amounts falling due within one year

|                 | 2025<br>£     | 2024<br>£     |
|-----------------|---------------|---------------|
| Trade creditors | 6,207         | 981           |
| Other creditors | 1,051         | 1,159         |
| Accruals        | 9,276         | 9,680         |
|                 | <u>16,534</u> | <u>11,820</u> |

#### 16 Funds

|                           | Balance at 1<br>March 2024<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Balance at 28<br>February 2025<br>£               |
|---------------------------|---------------------------------|----------------------------|----------------------------|---------------------------------------------------|
| <b>Unrestricted funds</b> |                                 |                            |                            |                                                   |
| <i>General</i>            |                                 |                            |                            |                                                   |
| General Funds             | 156,344                         | 255,423                    | (275,848)                  | 135,919                                           |
| <i>Designated</i>         |                                 |                            |                            |                                                   |
| Designated Funds          | 165,500                         | -                          | -                          | 165,500                                           |
| Reserved Funds            | 113,700                         | -                          | -                          | 113,700                                           |
|                           | <u>279,200</u>                  | <u>-</u>                   | <u>-</u>                   | <u>279,200</u>                                    |
| <b>Total funds</b>        | <u>435,544</u>                  | <u>255,423</u>             | <u>(275,848)</u>           | <u>415,119</u>                                    |
|                           | Balance at 1<br>March 2023<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Balance at 29<br>February 2024<br>£ (As restated) |
| <b>Unrestricted funds</b> |                                 |                            |                            |                                                   |
| <i>General</i>            |                                 |                            |                            |                                                   |
| General Funds             | 189,297                         | 230,195                    | (263,148)                  | 156,344                                           |
| <i>Designated</i>         |                                 |                            |                            |                                                   |
| Designated Funds          | 165,500                         | -                          | -                          | 165,500                                           |
| Reserved Funds            | 113,700                         | -                          | -                          | 113,700                                           |
|                           | <u>279,200</u>                  | <u>-</u>                   | <u>-</u>                   | <u>279,200</u>                                    |
| <b>Total funds</b>        | <u>468,497</u>                  | <u>230,195</u>             | <u>(263,148)</u>           | <u>435,544</u>                                    |

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# Accounts

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# **The Crofton Community Association**

## **Contents (continued)**

|                                      |          |
|--------------------------------------|----------|
| Reference and Administrative Details | 1 to 3   |
| Trustees' Report                     | 4 to 6   |
| Independent Examiner's Report        | 7        |
| Statement of Financial Activities    | 8        |
| Balance Sheet                        | 9        |
| Notes to the Financial Statements    | 10 to 19 |

## **The Crofton Community Association**

### **Reference and Administrative Details**

#### **Honorary President**

Mrs M Lawton,

#### **Trustees**

Mr M Lewis, Chairman

Mrs J Holden, Hon Secretary

Ms A Hayes

Mr A Lewis

Cllr S Dugan, FBC Representative

Mr J Forrest

## **The Crofton Community Association**

### **Reference and Administrative Details (continued)**

#### **Full Council**

Ms A Hayes

Mrs J Holden, Honorary Secretary

Mr J Forrest

Mr A Lewis

Mr M Lewis, Chairman

Mrs V Melville

Mrs V Pugh

Mr M Williams

Mrs J Wingate

Cllr S Dugan, FBC Representative (re-appointed May 2020)

Mr A Hathaway

Cllr P Hayre

#### **Principal Office**

Crofton Community Centre  
Stubbington Lane  
Stubbington  
Fareham  
PO14 2PP

#### **Charity Registration Number**

301794

## **The Crofton Community Association**

### **Reference and Administrative Details (continued)**

#### **Bankers**

United Trust Bank  
1 Ropemaker Street  
London  
EC2Y 9AW

Hampshire Trust Bank  
131 Finsbury Pavement  
London  
EC2A 1NT

Barclays Bank Plc  
Fareham  
67-69 West Street  
Fareham  
Hampshire  
PO16 0AW

Unity Trust Bank Plc  
9 Brindley Place  
Birmingham  
B1 2HB

Cambridge & Counties Bank Limited  
Charnwood Court  
New Walk  
Leicester  
LE1 6TE

#### **Accountant/Bookkeeper**

J Humphry Associates Limited  
11a Stubbington Green  
Fareham  
Hampshire  
PO14 2JG

#### **Auditor**

MMO Limited  
Chartered Accountants and Statutory Auditors  
Wellesley House  
204 London Road  
Waterlooville  
Hampshire  
PO7 7AN

#### **Solicitors**

Churchers  
12 High Street  
Fareham  
PO16 7BL

# **The Crofton Community Association**

## **Trustees' Report**

### **Trustees' Report**

#### **Review of activities**

The past year has been a continued resumption of getting back to normal after the disruptions of the previous couple of years. Membership levels have remained steady, and we have been able to welcome some new, regular, user groups to the centre. We have seen some significant cost challenges and unplanned emergent maintenance during the year with utility bills hitting the finances hard over the winter months and the unexpected cost of replacing the boilers and associated control system in the Hammond Wing. We have been working closely with FBC on a plan to replace the heating system supplying the Sports Hall and Pavilion areas and we are hopeful that this FBC led and funded project will be completed before the winter months set in.

After much effort, good progress has been made towards applying to the Charity Commission (CC) to become a Charitable Incorporated Organisation (CIO). The CIO Working Group have continued to meet monthly and reported progress to the Trustees. With legal support provided by Trethowan's Solicitors we were able to call an EGM on 29th February 2024 at which three CIO related resolutions were presented and unanimously approved

Our lead Trustee for CIO is Mr Gordon Ross and he has been in regular contact with the CC reporting progress and taking advice as well as liaising with solicitors. We anticipate submitting the formal application in the next month with the aim of dissolving the CCA charity by the end of 2024 and standing up the new CIO thereafter. The CIOWG will be continuing to act as a steering committee for delivering the transition plan of actions. We are all grateful to Gordon for his leadership and expertise in getting us through this process so far and for what lies ahead.

The Management Committee and the Full Council extend their grateful thanks to the Centre Manager and all the staff for all their dedicated work during this past year, much has been achieved in a testing period and we look forward to supporting them in the busy year ahead. Trustees would also like to thank FBC for their continued support and the good communication lines that exist between us and them.

#### **Future Developments**

The plan for 2024/25 is to expand our offering to the local community and continue to improve the environment and facilities for users to enjoy in the most cost-effective way. The Trustees will be very focussed on achieving CIO status and to making sure the transition and assets transfer plans are delivered appropriately and in a timely manner. We will also continue to keep a close eye on the finances as we manage a forecast deficit budget for the next 24 months.

#### **Full Council and Management Committee (Trustees)**

The Full Council is elected annually, and the last election was on 15th May 2023. The newly elected Full Council then elect the Management Committee (Trustees) in accordance with the Association's constitution.

As our application for CIO is in progress and the CCA is in the dissolution phase we will enact Chapter 16.2 of the Constitution and "The existing Management Committee will remain in office to be responsible for the winding up of affairs of The Association". This will allow for continuity and a smooth transition to the new entity. Three of the existing CCA Trustees will stand down to become the first Trustees of the new CIO. They are: Mr Gordon Ross, Mrs Kay Mandry and Mr Jim Forrest.

# The Crofton Community Association

## Trustees' Report (continued)

The association has leases held in the names of the Holding Trustees Mr A Burton; Mr P E J Barber. There will not be a requirement for Holding Trustees once we are a CIO as the lease will be novated to the names of the first Trustees of the new charity. The existing Holding Trustees have been informed in writing of this change. The leases are due for renewal in 2025 and we expect the negotiations with FBC to commence in the first quarter of next year.

### Summary of Financial Position

Finances remain robust in a year of continued inflationary impacts on running costs. The management of utility costs has been challenging with gas and electricity costs totalling £45,584 by year end although some of this was rebated by FBC. Income from room rental and subscriptions totalled £205,869 which was up slightly compared to the previous year's figures (£196,911).

We had forecast a deficit of £25k for year-end but it turned out slightly higher at £32,953 which was driven mainly by emergent maintenance and repair costs. We anticipate setting a further similar deficit budget for 2024/25.

As can be seen from the MMO Report of financial accounts we remain in a relatively strong financial position with an overall balance of £435,544 but the trend is a year-on-year reduction from this level. We continue to hold a good level of reserves (cash savings).

### Financial Challenges for the year ahead

- Keep a tight control of **operational/overhead costs**, especially utilities and review all other areas of expenditure taking all reasonable actions to reduce the cost base and arrest the deficit.
- **Manage a forecast deficit budget** by keeping a healthy balance between investment and retention of sufficient reserve funds. Continuing to reduce our reserves will also make grant applications a more successful prospect.
- To be as competitive as possible with **rental rates** so we can retain current users and attract new groups.
- There is a desire to be **carbon neutral by 2035 ahead of the Government's target of 2050**. This will require capital investment but could substantially reduce running costs in the long term. This is seen as a longer-term goal and can only be achieved once a deficit budget is reversed and with the support of grant applications.
- Continue with an **affordable programme of maintenance, repairs, and improvements** to enhance the offering to the community without busting the bank!
- Make sure that we **stand up the CIO in a healthy financial position** having conducted a full audit as part of our transition.

The Management Committee has reviewed the requirements over the next 12 months and are satisfied that there are sufficient resources bearing in mind future income and expenditure.

### Reserve Policy

There is no proposed change to the reserves policy which will remain as previously approved by the Management Committee. £113,700 is set aside in general funds that will cover:

- Staff contractual obligations (to include redundancy and pension)
- Fluctuations of Income and expenditure
- Escalating utilities costs
- Damage and vandalism (not covered by insurance)

## **The Crofton Community Association**

### **Trustees' Report (continued)**

- Unexpected legal costs (not covered by insurance)

The Crofton Community Association (CCA) also has designated funds for specific purposes.

The values of General and Designated funds are reviewed annually and will never be less than three months expenditure in total.

#### **Risk Factors**

The Management Committee discuss major risks to which the charity might be exposed to ensure that mitigation action can be taken in a timely manner should a risk impact. Significant financial risk contingencies are broadly covered in the Reserves Policy.

The annual report was approved by the Trustees of the charity on 15th May 2024 and signed on its behalf by:

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

.....  
Mr M Lewis  
Trustee

## **The Crofton Community Association**

### **Independent Examiner's Report to the trustees of The Crofton Community Association**

I report to the trustees on my examination of the accounts of The Crofton Community Association for the year ended 29 February 2024.

#### **Responsibilities and basis of report**

As the charity trustees of The Crofton 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 The Crofton 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 The Crofton 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

Date:.....

## The Crofton Community Association

### Statement of Financial Activities for the Year Ended 29 February 2024

|                                    | Note | Unrestricted<br>£ | Total<br>2024<br>£ |
|------------------------------------|------|-------------------|--------------------|
| <b>Income and Endowments from:</b> |      |                   |                    |
| Charitable activities              | 2    | 205,869           | 205,869            |
| Investment income                  | 3    | 6,403             | 6,403              |
| Other income                       | 4    | 17,923            | 17,923             |
| Total Income                       |      | <u>230,195</u>    | <u>230,195</u>     |
| <b>Expenditure on:</b>             |      |                   |                    |
| Charitable activities              | 5    | (263,148)         | (263,148)          |
| Total Expenditure                  |      | <u>(263,148)</u>  | <u>(263,148)</u>   |
| Net movement in funds              |      | (32,953)          | (32,953)           |
| <b>Reconciliation of funds</b>     |      |                   |                    |
| Total funds brought forward        |      | 468,497           | 468,497            |
| Total funds carried forward        | 16   | <u>435,544</u>    | <u>435,544</u>     |
|                                    | Note | Unrestricted<br>£ | Total<br>2023<br>£ |
| <b>Income and Endowments from:</b> |      |                   |                    |
| Charitable activities              | 2    | 196,911           | 196,911            |
| Investment income                  | 3    | 1,104             | 1,104              |
| Other income                       | 4    | 16,830            | 16,830             |
| Total Income                       |      | <u>214,845</u>    | <u>214,845</u>     |
| <b>Expenditure on:</b>             |      |                   |                    |
| Charitable activities              | 5    | (242,721)         | (242,721)          |
| Total Expenditure                  |      | <u>(242,721)</u>  | <u>(242,721)</u>   |
| Net movement in funds              |      | (27,876)          | (27,876)           |
| <b>Reconciliation of funds</b>     |      |                   |                    |
| Total funds brought forward        |      | 496,373           | 496,373            |
| Total funds carried forward        | 16   | <u>468,497</u>    | <u>468,497</u>     |

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2023 is shown in note 16.

The notes on pages 10 to 19 form an integral part of these financial statements.

**The Crofton Community Association**

**(Registration number: 301794)**  
**Balance Sheet as at 29 February 2024**

|                                                       | Note | 2024<br>£       | 2023<br>£      |
|-------------------------------------------------------|------|-----------------|----------------|
| <b>Fixed assets</b>                                   |      |                 |                |
| Tangible assets                                       | 12   | 64,969          | 70,253         |
| <b>Current assets</b>                                 |      |                 |                |
| Debtors                                               | 13   | 14,916          | 10,221         |
| Cash at bank and in hand                              | 14   | <u>367,479</u>  | <u>396,613</u> |
|                                                       |      | 382,395         | 406,834        |
| <b>Creditors: Amounts falling due within one year</b> | 15   | <u>(11,820)</u> | <u>(8,590)</u> |
| <b>Net current assets</b>                             |      | <u>370,575</u>  | <u>398,244</u> |
| <b>Net assets</b>                                     |      | <u>435,544</u>  | <u>468,497</u> |
| <b>Funds of the charity:</b>                          |      |                 |                |
| <b>Unrestricted income funds</b>                      |      |                 |                |
| Unrestricted funds                                    |      | <u>435,544</u>  | <u>468,497</u> |
| <b>Total funds</b>                                    | 16   | <u>435,544</u>  | <u>468,497</u> |

The financial statements on pages 8 to 19 were approved by the trustees, and authorised for issue on .....  
and signed on their behalf by:

.....  
Mr M Lewis  
Trustee

# **The Crofton Community Association**

## **Notes to the Financial Statements for the Year Ended 29 February 2024**

### **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**

The Crofton 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**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### **Income and endowments**

##### ***Investment income***

Investment income is recognised on a receivable basis.

##### ***Charitable activities***

Income from charitable activities includes income recognised as earned (as the related goods or services) under contract.

#### **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.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including preparation and examination of the accounts, bank charges and the cost of any legal advice to trustees' on governance or constitutional matters.

## **The Crofton Community Association**

### **Notes to the Financial Statements for the Year Ended 29 February 2024 (continued)**

#### **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.

#### **Tangible fixed assets**

Individual fixed assets costing £45.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

| <b>Asset class</b>     | <b>Depreciation method and rate</b> |
|------------------------|-------------------------------------|
| Computer equipment     | 33% straight line                   |
| Fixtures and fittings  | 25% straight line                   |
| Equipment              | 20% straight line                   |
| Leasehold improvements | 5% straight line                    |
| Property works         | 10% straight line                   |

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business and are measured at cost, reviewed annually for impairment.

#### **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.

#### **Trade creditors**

Trade and other creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities unless there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

They are recognised initially at the transaction price.

## **The Crofton Community Association**

### **Notes to the Financial Statements for the Year Ended 29 February 2024 (continued)**

#### **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.

#### **Pensions and other post retirement obligations**

The costs arising on the charity's defined contribution schemes are recognised in the SOFA in the period in which the related service is provided.

#### **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.

##### ***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.

## **The Crofton Community Association**

### **Notes to the Financial Statements for the Year Ended 29 February 2024 (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.

#### ***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.

## The Crofton Community Association

### Notes to the Financial Statements for the Year Ended 29 February 2024 (continued)

#### 2 Income from charitable activities

|                        | Unrestricted<br>funds<br>General<br>£ | Total<br>2024<br>£ | Total<br>2023<br>£          |
|------------------------|---------------------------------------|--------------------|-----------------------------|
| Hammond Wing           | 81,003                                | 81,003             | 71,242                      |
| Sports Hall Wing       | 58,953                                | 58,953             | 57,140                      |
| Crofton Hall Link Wing | 50,057                                | 50,057             | 50,188                      |
| Subscriptions          | 15,856                                | 15,856             | 18,341                      |
|                        | <u>205,869</u>                        | <u>205,869</u>     | <u>196,911</u>              |
|                        |                                       |                    | <b>Total<br/>2024<br/>£</b> |

#### 3 Investment income

|                                         | Unrestricted<br>funds<br>General<br>£ | Total<br>2024<br>£ | Total<br>2023<br>£ |
|-----------------------------------------|---------------------------------------|--------------------|--------------------|
| Interest receivable and similar income; |                                       |                    |                    |
| Interest receivable on bank deposits    | 6,403                                 | 6,403              | 1,104              |
|                                         | <u>6,403</u>                          | <u>6,403</u>       | <u>1,104</u>       |

#### 4 Other income

|                                   | Unrestricted<br>General<br>£ | Total<br>2024<br>£ | Total<br>2023<br>£ |
|-----------------------------------|------------------------------|--------------------|--------------------|
| Other income                      | 251                          | 251                | 269                |
| Government Grant                  | -                            | -                  | 4,000              |
| Fareham Borough Council recharges | 17,672                       | 17,672             | 12,561             |
|                                   | <u>17,923</u>                | <u>17,923</u>      | <u>16,830</u>      |

# **The Crofton Community Association**

## **Notes to the Financial Statements for the Year Ended 29 February 2024 (continued)**

### **5 Expenditure on charitable activities**

|                                                    |             | <b>Unrestricted</b> | <b>Total</b>   | <b>Total</b>   |
|----------------------------------------------------|-------------|---------------------|----------------|----------------|
|                                                    | <b>Note</b> | <b>General</b>      | <b>2024</b>    | <b>2023</b>    |
|                                                    |             | <b>£</b>            | <b>£</b>       | <b>£</b>       |
| Direct costs of charitable activities              |             | 92,042              | 92,042         | 64,149         |
| Depreciation, amortisation and other similar costs |             | 12,505              | 12,505         | 22,019         |
| Staff costs                                        |             | 155,910             | 155,910        | 142,269        |
| Governance costs including examiners fees          |             | 2,691               | 2,691          | 14,284         |
|                                                    |             | <u>263,148</u>      | <u>263,148</u> | <u>242,721</u> |

## The Crofton Community Association

### Notes to the Financial Statements for the Year Ended 29 February 2024 (continued)

#### 6 Analysis of governance and support costs

##### Governance costs

|                                   | Unrestricted<br>funds<br>General<br>£ | Total<br>2024<br>£ | Total<br>2023<br>£ |
|-----------------------------------|---------------------------------------|--------------------|--------------------|
| Audit fees                        |                                       |                    |                    |
| Audit of the financial statements | 1,248                                 | 1,248              | 3,078              |
| Legal fees                        | 211                                   | 211                | 9,936              |
| Other governance costs            | 1,232                                 | 1,232              | 1,270              |
|                                   | <u>2,691</u>                          | <u>2,691</u>       | <u>14,284</u>      |

#### 7 Net incoming/outgoing resources

Net outgoing resources for the year include:

|                              | 2024<br>£     | 2023<br>£     |
|------------------------------|---------------|---------------|
| Audit fees                   | 1,248         | 3,078         |
| Depreciation of fixed assets | <u>12,505</u> | <u>22,019</u> |

#### 8 Trustees remuneration and expenses

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

## The Crofton Community Association

### Notes to the Financial Statements for the Year Ended 29 February 2024 (continued)

#### 9 Staff costs

The aggregate payroll costs were as follows:

|                                          | 2024<br>£      | 2023<br>£      |
|------------------------------------------|----------------|----------------|
| <b>Staff costs during the year were:</b> |                |                |
| Wages and salaries                       | 142,515        | 130,302        |
| Social security costs                    | 10,134         | 9,704          |
| Pension costs                            | 3,261          | 2,263          |
|                                          | <u>155,910</u> | <u>142,269</u> |

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:

|                                         | 2024<br>No | 2023<br>No |
|-----------------------------------------|------------|------------|
| Charitable activities - Full time staff | 4          | 4          |
| Charitable activities - Part time staff | 3          | 4          |
|                                         | <u>7</u>   | <u>8</u>   |

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

#### 10 Auditors' remuneration

|                                   | 2024<br>£    | 2023<br>£    |
|-----------------------------------|--------------|--------------|
| Audit of the financial statements | <u>1,248</u> | <u>3,078</u> |

## The Crofton Community Association

### Notes to the Financial Statements for the Year Ended 29 February 2024 (continued)

#### 11 Taxation

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

#### 12 Tangible fixed assets

|                         | Land and<br>buildings<br>£ | Furniture and<br>equipment<br>£ | Total<br>£     |
|-------------------------|----------------------------|---------------------------------|----------------|
| <b>Cost</b>             |                            |                                 |                |
| At 1 March 2023         | 99,202                     | 134,203                         | 233,405        |
| Additions               | -                          | 7,221                           | 7,221          |
| Disposals               | -                          | (2,866)                         | (2,866)        |
| At 29 February 2024     | <u>99,202</u>              | <u>138,558</u>                  | <u>237,760</u> |
| <b>Depreciation</b>     |                            |                                 |                |
| At 1 March 2023         | 56,446                     | 106,706                         | 163,152        |
| Charge for the year     | 5,974                      | 6,531                           | 12,505         |
| Eliminated on disposals | -                          | (2,866)                         | (2,866)        |
| At 29 February 2024     | <u>62,420</u>              | <u>110,371</u>                  | <u>172,791</u> |
| <b>Net book value</b>   |                            |                                 |                |
| At 29 February 2024     | <u>36,782</u>              | <u>28,187</u>                   | <u>64,969</u>  |
| At 28 February 2023     | <u>42,756</u>              | <u>27,497</u>                   | <u>70,253</u>  |

#### 13 Debtors

|               | 2024<br>£     | 2023<br>£     |
|---------------|---------------|---------------|
| Trade debtors | 9,915         | 4,859         |
| Prepayments   | <u>5,001</u>  | <u>5,362</u>  |
|               | <u>14,916</u> | <u>10,221</u> |

#### 14 Cash and cash equivalents

|              | 2024<br>£      | 2023<br>£      |
|--------------|----------------|----------------|
| Cash at bank | <u>367,479</u> | <u>396,613</u> |

## The Crofton Community Association

### Notes to the Financial Statements for the Year Ended 29 February 2024 (continued)

#### 15 Creditors: amounts falling due within one year

|                 | 2024<br>£     | 2023<br>£    |
|-----------------|---------------|--------------|
| Trade creditors | 981           | 355          |
| Other creditors | 1,159         | 205          |
| Accruals        | 9,680         | 8,030        |
|                 | <u>11,820</u> | <u>8,590</u> |

#### 16 Funds

|                           | Balance at 1<br>March 2023<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Balance at 29<br>February 2024<br>£ |
|---------------------------|---------------------------------|----------------------------|----------------------------|-------------------------------------|
| <b>Unrestricted funds</b> |                                 |                            |                            |                                     |
| <i>General</i>            |                                 |                            |                            |                                     |
| General Funds             | 189,297                         | 230,195                    | (263,148)                  | 156,344                             |
| <i>Designated</i>         |                                 |                            |                            |                                     |
| Designated Funds          | 165,500                         | -                          | -                          | 165,500                             |
| Reserved Funds            | 113,700                         | -                          | -                          | 113,700                             |
|                           | <u>279,200</u>                  | <u>-</u>                   | <u>-</u>                   | <u>279,200</u>                      |
| <b>Total funds</b>        | <u>468,497</u>                  | <u>230,195</u>             | <u>(263,148)</u>           | <u>435,544</u>                      |
|                           | Balance at 1<br>March 2022<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Balance at 28<br>February 2023<br>£ |
| <b>Unrestricted funds</b> |                                 |                            |                            |                                     |
| <i>General</i>            |                                 |                            |                            |                                     |
| General Funds             | 217,173                         | 214,845                    | (242,721)                  | 189,297                             |
| <i>Designated</i>         |                                 |                            |                            |                                     |
| Designated Funds          | 165,500                         | -                          | -                          | 165,500                             |
| Reserved Funds            | 113,700                         | -                          | -                          | 113,700                             |
|                           | <u>279,200</u>                  | <u>-</u>                   | <u>-</u>                   | <u>279,200</u>                      |
| <b>Total funds</b>        | <u>496,373</u>                  | <u>214,845</u>             | <u>(242,721)</u>           | <u>468,497</u>                      |

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# Accounts

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Charity registration number: 301794

# The Crofton Community Association

Annual Report and Financial Statements

for the Year Ended 28 February 2023

# **The Crofton Community Association**

## **Contents (continued)**

|                                      |          |
|--------------------------------------|----------|
| Reference and Administrative Details | 1 to 3   |
| Trustees' Report                     | 4 to 7   |
| Independent Examiner's Report        | 8        |
| Statement of Financial Activities    | 9        |
| Balance Sheet                        | 10       |
| Notes to the Financial Statements    | 11 to 20 |

## **The Crofton Community Association**

### **Reference and Administrative Details**

#### **Honorary President**

Mrs M Lawton,

#### **Trustees**

Mr M Lewis, Chairman

Mrs J Holden, Hon Secretary

Ms A Hayes

Mr A Lewis

Cllr S Dugan, FBC Representative

Mr J Forrest

## **The Crofton Community Association**

### **Reference and Administrative Details (continued)**

#### **Full Council**

Ms A Hayes

Mrs J Holden, Honorary Secretary

Mr J Forrest

Mr A Lewis

Mr M Lewis, Chairman

Mrs V Melville

Mrs V Pugh

Mr M Williams

Mrs J Wingate

Cllr S Dugan, FBC Representative (re-appointed May 2020)

Mr A Hathaway

Cllr P Hayre

#### **Principal Office**

Crofton Community Centre  
Stubbington Lane  
Stubbington  
Fareham  
PO14 2PP

#### **Charity Registration Number**

301794

## **The Crofton Community Association**

### **Reference and Administrative Details (continued)**

#### **Bankers**

United Trust Bank  
1 Ropemaker Street  
London  
EC2Y 9AW

Hampshire Trust Bank  
131 Finsbury Pavement  
London  
EC2A 1NT

Barclays Bank Plc  
Fareham  
67-69 West Street  
Fareham  
Hampshire  
PO16 0AW

Unity Trust Bank Plc  
9 Brindley Place  
Birmingham  
B1 2HB

Cambridge & Counties Bank Limited  
Charnwood Court  
New Walk  
Leicester  
LE1 6TE

#### **Accountant/Bookkeeper**

J Humphry Associates Limited  
11a Stubbington Green  
Fareham  
Hampshire  
PO14 2JG

#### **Auditor**

MMO Limited  
Chartered Accountants and Statutory Auditors  
Wellesley House  
204 London Road  
Waterlooville  
Hampshire  
PO7 7AN

#### **Solicitors**

Churchers  
12 High Street  
Fareham  
PO16 7BL

# **The Crofton Community Association**

## **Trustees' Report**

### **The Crofton Community Association (CCA)**

#### **Annual Report and Financial Statements for the Year ended 28th February 2023**

#### **Trustees' Report**

##### **Review of activities**

With the appointment of our new Centre Manager, Nick Scott, in February 2022 we entered the new financial year with fresh momentum and the willingness to conduct a complete review of all our operations and practices. Several areas of improvement were recognised in Q1 and Nick along with the Staff and the blessing of the Management Committee set about implementing changes and improvements in several areas. Key achievements as follows:

1. Review and reorganisation of all paper records and files. Disposal of old archive records no longer needed. Capture of key hard copy records to store on computer system.
2. Review and update of Staff Manual.
3. Review and update of all Policies (Ongoing). Begin the process of assigning trustee sponsors to key policy areas.
4. The successful nomination of an additional trustee on to the Management Committee at the AGM and the co-opting of a further trustee during the year.
5. Installing recycling facilities for waste management (ongoing).
6. Good work undertaken by the staff team to reduce utility usage, particularly gas.
7. Implemented a project to replace all lights within the Centre with LEDs and PIR controls where appropriate with the aim of reducing running costs and our carbon footprint. (circa £20K investment with FBC providing a £4k grant).
8. Refurbishment of Room 6.
9. Refurbishment of rooms 7 and 8 to accommodate Nursery and the negotiation of a new rental contract.
10. Purchase of a new online booking, invoicing, and records system (Lemon Bookings) to improve efficiency and simplify the booking experience for clients and staff. In time the system will also provide improved management data and records. (ongoing)
11. Review of Health and Safety policy and procedures with training plan for staff.
12. Upgrade of network system for enhancing WIFI and connectivity throughout the building (ongoing). Adoption of new office IT platform and infrastructure.
13. Switching our banking accounts from Barclays to Unity Bank. This has provided a more user-friendly, cost-effective online facility for our financial transactions. Members and groups can also use contactless payments and DD facilities.

The above are just headlines of the progress made last year with some actions ongoing. The general tone has been one of consolidation and planning to build a stronger organisation in the future. We have started the journey to achieve this.

## **The Crofton Community Association**

### **Trustees' Report (continued)**

Early in 2023 a joint working group made up of representatives from CCA and Fareham Borough Council (Communities Officer) was set up to look at the potential of development a joint project to improve the facilities in the Sports Pavilion (a building not on CCA's current lease) and create a new ground floor room for the Centre's use. After several meetings and an assessment of costs it was decided by trustees that the joint project should be paused. This decision was reached due to the complicated nature of the work required to take this project forward, the uncertainty about final costs (based on the last FBC estimate of approx. £600K+) and the declared position of Hammond Hall Trust's cap on any potential grant only matching CCA's budget. It was also agreed that we would not at this point want to earmark more than the previously agreed £100k of CCA funds. Our preference is to let FBC implement the necessary refurbishments and improvements to the Sports Pavilion facilities to allow it to continue to be used by the community groups and sports teams. We have requested that FBC maintain a close dialogue with CCA about these plans as they will have an impact on our current daily operations. Once the repair work is done, we would welcome another opportunity to revisit the ground floor room opportunity and discuss whether there is a case for CCA to include the Sports Pavilion under a new lease arrangement when the current lease is due to be renegotiated in 2025.

The Management Committee and the Full Council extend their grateful thanks to the Centre Manager and all the staff for all their hard work during this past year and we look forward to supporting them throughout 2023 as they continue to implement a much-needed programme of change. Trustees would also like to thank FBC for their continued support.

#### **Future Developments**

The plan for 2023 is to continue to use some of our capital to further modernise the centre and expand the service and facilities we can offer to the community. This may include opening the centre on a Saturday.

A major aim for the charity in the next 12 months is to propose a transition from our current charity "Association" status to a "Charitable Incorporated Organisation" (CIO), following the guidelines laid down by the Charities Commission (CC). This will have significant benefits to a charity of our size and will enhance our governance and provide greater protection and sustainability for our customers, staff, volunteers, and trustees. It is intended to put a motion forward at the AGM in May 2023 for a CIO structure proposal to be considered. We have consulted and taken advice from the CC, FBC and "One Community" representatives about this change and they are all very supportive.

In the coming year we will begin to see the fruition of some of the achievements and investments highlighted above, to celebrate where we have come from, and to be able to promote a stronger organisation capable of serving and providing a focus for the communities of Stubbington and Hill Head for the next generations.

#### **Full Council**

The Full Council is elected annually, and the last election was on 30th May 2022. In accordance with the Association's constitution, all the above (excluding the FBC Representative), will stand down at the next Annual General Meeting on 15th May 2023.

The association has leases held in the names of the Holding Trustees Mr A Burton; Mr P E J Barber.

# The Crofton Community Association

## Trustees' Report (continued)

### Summary of Financial Position

Having managed the financial challenges of the pandemic lockdown period with care, we emerged at the beginning of the financial year in good shape. A conscious decision was taken by trustees early in the year that we should look at ways of investing in the centre, prioritising fabric improvements and modernising systems, upgrading IT hardware and software, slim-lining processes, and updating policies. The overall goal being to professionalise our organisation and make sure we were meeting our legal requirements. Getting a focus on eco-friendly sustainability challenges was also something we need to plan for.

Our general running costs for the year have increased along with the national trend of increased inflation. Gas and electricity costs have increased hugely this year compared to 2021, although we have been eligible for some government relief through the winter period. We also had to settle a breach of contract claim from an energy consultancy company for the sum of £8,000 in the latter part of 2022. Legal advice was sought before making the settlement.

We have made good progress in several areas this year, as highlighted in the review of activities section above and have so far invested £25,453 in improvements. As can be seen from the audited accounts we remain in a robust financial position with an overall Balance of £468,497. We have a good level of reserves (savings) – with a proportion of it already designated for activities. This should allow us to continue to invest in the Centre for the foreseeable future. However:

### Financial Challenges for the year ahead

- Maintaining a **competitive edge for rental rates** so we can retain current users and attract new groups.
- Additional **day to day costs** – especially utilities and staffing costs.
- **Heating the centre!** We need to look at options to replace our existing and ageing gas boiler. This is likely to be an expensive cost.
- There is a desire to be **carbon neutral by 2035 ahead of the Government's target of 2050**. This will require capital investment but could substantially reduce running costs in the long term.
- Other **projects** – a range of maintenance, repairs, and improvements. Crofton Community Centre is a large building, and we need to look after it!
- Keeping a healthy balance between investment and retention of sufficient reserve funds. Reducing our reserves will also make grant applications a more successful prospect.

The financial statements show £468,497.

The Management Committee has reviewed the requirements over the next 12 months and are satisfied that there are sufficient resources bearing in mind future income and expenditure.

## **The Crofton Community Association**

### **Trustees' Report (continued)**

#### **Reserve Policy**

As previously agreed by the Management Committee, £113,700 is set aside in general funds that will cover:

- Staff contractual obligation (to include redundancy and pensions)
- Fluctuations of income and expenditure
- Escalating utilities costs
- Damage and vandalism (not covered by insurance)
- Unexpected legal costs (not covered by insurance)

The Crofton Community Association also has designated funds for specific purposes.

The values of General and Designated funds are reviewed annually and will never be less than three months expenditure in total.

#### **Risk Factors**

The Management Committee discuss major risks to which the charity might be exposed to ensure that mitigation action can be taken in a timely manner should a risk impact.

Significant financial risk contingencies are broadly covered in the Reserves Policy. During the next 12 months a full review of all risks and mitigations will be undertaken and a comprehensive costed risk register will be drawn up. This will be used to review the Reserves Policy again in 2023.

## **The Crofton Community Association**

### **Independent Examiner's Report to the trustees of The Crofton Community Association**

I report to the trustees on my examination of the accounts of The Crofton Community Association for the year ended 28 February 2023.

#### **Responsibilities and basis of report**

As the charity trustees of The Crofton 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 The Crofton 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 The Crofton 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

Date:.....

# The Crofton Community Association

## Statement of Financial Activities for the Year Ended 28 February 2023

|                                    | Note | Unrestricted<br>£ | Total<br>2023<br>£ |
|------------------------------------|------|-------------------|--------------------|
| <b>Income and Endowments from:</b> |      |                   |                    |
| Charitable activities              | 2    | 196,911           | 196,911            |
| Investment income                  | 3    | 1,104             | 1,104              |
| Other income                       | 4    | 16,830            | 16,830             |
| Total Income                       |      | <u>214,845</u>    | <u>214,845</u>     |
| <b>Expenditure on:</b>             |      |                   |                    |
| Charitable activities              | 5    | <u>(242,721)</u>  | <u>(242,721)</u>   |
| Total Expenditure                  |      | <u>(242,721)</u>  | <u>(242,721)</u>   |
| Net movement in funds              |      | (27,876)          | (27,876)           |
| <b>Reconciliation of funds</b>     |      |                   |                    |
| Total funds brought forward        |      | <u>496,373</u>    | <u>496,373</u>     |
| Total funds carried forward        | 16   | <u>468,497</u>    | <u>468,497</u>     |
|                                    | Note | Unrestricted<br>£ | Total<br>2022<br>£ |
| <b>Income and Endowments from:</b> |      |                   |                    |
| Charitable activities              | 2    | 158,309           | 158,309            |
| Investment income                  | 3    | 2,228             | 2,228              |
| Other income                       | 4    | 63,605            | 63,605             |
| Total Income                       |      | <u>224,142</u>    | <u>224,142</u>     |
| <b>Expenditure on:</b>             |      |                   |                    |
| Charitable activities              | 5    | <u>(189,044)</u>  | <u>(189,044)</u>   |
| Total Expenditure                  |      | <u>(189,044)</u>  | <u>(189,044)</u>   |
| Net movement in funds              |      | 35,098            | 35,098             |
| <b>Reconciliation of funds</b>     |      |                   |                    |
| Total funds brought forward        |      | <u>461,275</u>    | <u>461,275</u>     |
| Total funds carried forward        | 16   | <u>496,373</u>    | <u>496,373</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 16.

The notes on pages 11 to 20 form an integral part of these financial statements.

# The Crofton Community Association

**(Registration number: 301794)**  
**Balance Sheet as at 28 February 2023**

|                                                       | Note | 2023<br>£ | 2022<br>£ |
|-------------------------------------------------------|------|-----------|-----------|
| <b>Fixed assets</b>                                   |      |           |           |
| Tangible assets                                       | 12   | 70,253    | 61,429    |
| <b>Current assets</b>                                 |      |           |           |
| Debtors                                               | 13   | 10,221    | 6,770     |
| Cash at bank and in hand                              | 14   | 396,613   | 436,029   |
|                                                       |      | 406,834   | 442,799   |
| <b>Creditors: Amounts falling due within one year</b> | 15   | (8,590)   | (7,855)   |
| <b>Net current assets</b>                             |      | 398,244   | 434,944   |
| <b>Net assets</b>                                     |      | 468,497   | 496,373   |
| <b>Funds of the charity:</b>                          |      |           |           |
| <b>Unrestricted income funds</b>                      |      |           |           |
| Unrestricted funds                                    |      | 468,497   | 496,373   |
| <b>Total funds</b>                                    | 16   | 468,497   | 496,373   |

The financial statements on pages 9 to 20 were approved by the trustees, and authorised for issue on .....  
and signed on their behalf by:



.....  
Mr M Lewis  
Trustee

19 April 2023

# **The Crofton Community Association**

## **Notes to the Financial Statements for the Year Ended 28 February 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**

The Crofton 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**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### **Income and endowments**

##### ***Investment income***

Investment income is recognised on a receivable basis.

##### ***Charitable activities***

Income from charitable activities includes income recognised as earned (as the related goods or services) under contract.

#### **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.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including preparation and examination of the accounts, bank charges and the cost of any legal advice to trustees' on governance or constitutional matters.

## **The Crofton Community Association**

### **Notes to the Financial Statements for the Year Ended 28 February 2023 (continued)**

#### **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.

#### **Tangible fixed assets**

Individual fixed assets costing £45.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

| <b>Asset class</b>     | <b>Depreciation method and rate</b> |
|------------------------|-------------------------------------|
| Computer equipment     | 33% straight line                   |
| Fixtures and fittings  | 25% straight line                   |
| Equipment              | 20% straight line                   |
| Leasehold improvements | 5% straight line                    |
| Property works         | 10% straight line                   |

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business and are measured at cost, reviewed annually for impairment.

#### **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.

#### **Trade creditors**

Trade and other creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities unless there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

They are recognised initially at the transaction price.

## **The Crofton Community Association**

### **Notes to the Financial Statements for the Year Ended 28 February 2023 (continued)**

#### **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.

#### **Pensions and other post retirement obligations**

The costs arising on the charity's defined contribution schemes are recognised in the SOFA in the period in which the related service is provided.

#### **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.

##### ***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.

## **The Crofton Community Association**

### **Notes to the Financial Statements for the Year Ended 28 February 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.

#### ***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.

## The Crofton Community Association

### Notes to the Financial Statements for the Year Ended 28 February 2023 (continued)

#### 2 Income from charitable activities

|                        | Unrestricted<br>funds<br>General<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£          |
|------------------------|---------------------------------------|--------------------|-----------------------------|
| Hammond Wing           | 71,242                                | 71,242             | 65,879                      |
| Sports Hall Wing       | 57,140                                | 57,140             | 39,043                      |
| Crofton Hall Link Wing | 50,188                                | 50,188             | 35,210                      |
| Subscriptions          | 18,341                                | 18,341             | 18,177                      |
|                        | <u>196,911</u>                        | <u>196,911</u>     | <u>158,309</u>              |
|                        |                                       |                    | <b>Total<br/>2023<br/>£</b> |

#### 3 Investment income

|                                         | Unrestricted<br>funds<br>General<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|-----------------------------------------|---------------------------------------|--------------------|--------------------|
| Interest receivable and similar income; |                                       |                    |                    |
| Interest receivable on bank deposits    | 1,104                                 | 1,104              | 2,228              |
|                                         | <u>1,104</u>                          | <u>1,104</u>       | <u>2,228</u>       |

#### 4 Other income

|                                   | Unrestricted<br>General<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|-----------------------------------|------------------------------|--------------------|--------------------|
| Other income                      | 269                          | 269                | 105                |
| Government Grant                  | 4,000                        | 4,000              | 56,931             |
| Fareham Borough Council recharges | 12,561                       | 12,561             | 6,569              |
|                                   | <u>16,830</u>                | <u>16,830</u>      | <u>63,605</u>      |

# **The Crofton Community Association**

## **Notes to the Financial Statements for the Year Ended 28 February 2023 (continued)**

### **5 Expenditure on charitable activities**

|                                                    |             | <b>Unrestricted</b> | <b>Total</b>   | <b>Total</b>   |
|----------------------------------------------------|-------------|---------------------|----------------|----------------|
|                                                    | <b>Note</b> | <b>General</b>      | <b>2023</b>    | <b>2022</b>    |
|                                                    |             | <b>£</b>            | <b>£</b>       | <b>£</b>       |
| Direct costs of charitable activities              |             | 64,149              | 64,149         | 39,196         |
| Depreciation, amortisation and other similar costs |             | 22,019              | 22,019         | 4,468          |
| Staff costs                                        |             | 142,269             | 142,269        | 142,978        |
| Governance costs including examiners fees          |             | 14,284              | 14,284         | 2,402          |
|                                                    |             | <u>242,721</u>      | <u>242,721</u> | <u>189,044</u> |

## The Crofton Community Association

### Notes to the Financial Statements for the Year Ended 28 February 2023 (continued)

#### 6 Analysis of governance and support costs

##### Governance costs

|                                   | Unrestricted<br>funds<br>General<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|-----------------------------------|---------------------------------------|--------------------|--------------------|
| Audit fees                        |                                       |                    |                    |
| Audit of the financial statements | 3,078                                 | 3,078              | 1,174              |
| Legal fees                        | 9,936                                 | 9,936              | 50                 |
| Other governance costs            | 1,270                                 | 1,270              | 1,178              |
|                                   | <u>14,284</u>                         | <u>14,284</u>      | <u>2,402</u>       |

#### 7 Net incoming/outgoing resources

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

|                              | 2023<br>£     | 2022<br>£    |
|------------------------------|---------------|--------------|
| Audit fees                   | 3,078         | 1,174        |
| Depreciation of fixed assets | <u>22,019</u> | <u>4,468</u> |

#### 8 Trustees remuneration and expenses

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

## The Crofton Community Association

### Notes to the Financial Statements for the Year Ended 28 February 2023 (continued)

#### 9 Staff costs

The aggregate payroll costs were as follows:

|                                          | 2023<br>£      | 2022<br>£      |
|------------------------------------------|----------------|----------------|
| <b>Staff costs during the year were:</b> |                |                |
| Wages and salaries                       | 130,302        | 134,562        |
| Social security costs                    | 9,704          | 6,004          |
| Pension costs                            | 2,263          | 2,412          |
|                                          | <u>142,269</u> | <u>142,978</u> |

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<br>No | 2022<br>No |
|-----------------------------------------|------------|------------|
| Charitable activities - Full time staff | 4          | 4          |
| Charitable activities - Part time staff | 4          | 4          |
|                                         | <u>8</u>   | <u>8</u>   |

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

#### 10 Auditors' remuneration

|                                   | 2023<br>£    | 2022<br>£    |
|-----------------------------------|--------------|--------------|
| Audit of the financial statements | <u>3,078</u> | <u>1,174</u> |

## The Crofton Community Association

### Notes to the Financial Statements for the Year Ended 28 February 2023 (continued)

#### 11 Taxation

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

#### 12 Tangible fixed assets

|                       | Land and<br>buildings<br>£ | Furniture and<br>equipment<br>£ | Total<br>£ |
|-----------------------|----------------------------|---------------------------------|------------|
| <b>Cost</b>           |                            |                                 |            |
| At 1 March 2022       | 73,748                     | 128,814                         | 202,562    |
| Additions             | 25,454                     | 5,389                           | 30,843     |
| At 28 February 2023   | 99,202                     | 134,203                         | 233,405    |
| <b>Depreciation</b>   |                            |                                 |            |
| At 1 March 2022       | 43,523                     | 97,610                          | 141,133    |
| Charge for the year   | 12,923                     | 9,096                           | 22,019     |
| At 28 February 2023   | 56,446                     | 106,706                         | 163,152    |
| <b>Net book value</b> |                            |                                 |            |
| At 28 February 2023   | 42,756                     | 27,497                          | 70,253     |
| At 28 February 2022   | 30,225                     | 31,204                          | 61,429     |

#### 13 Debtors

|               | 2023<br>£ | 2022<br>£ |
|---------------|-----------|-----------|
| Trade debtors | 4,859     | 4,184     |
| Prepayments   | 5,362     | 2,586     |
|               | 10,221    | 6,770     |

#### 14 Cash and cash equivalents

|              | 2023<br>£ | 2022<br>£ |
|--------------|-----------|-----------|
| Cash at bank | 396,613   | 436,029   |

# The Crofton Community Association

## Notes to the Financial Statements for the Year Ended 28 February 2023 (continued)

### 15 Creditors: amounts falling due within one year

|                 | 2023<br>£    | 2022<br>£    |
|-----------------|--------------|--------------|
| Trade creditors | 355          | 1,103        |
| Other creditors | 205          | -            |
| Accruals        | 8,030        | 6,752        |
|                 | <u>8,590</u> | <u>7,855</u> |

### 16 Funds

|                           | Balance at 1<br>March 2022<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Balance at 28<br>February 2023<br>£ |
|---------------------------|---------------------------------|----------------------------|----------------------------|-------------------------------------|
| <b>Unrestricted funds</b> |                                 |                            |                            |                                     |
| <i>General</i>            |                                 |                            |                            |                                     |
| General Funds             | 217,173                         | 214,845                    | (242,721)                  | 189,297                             |
| <i>Designated</i>         |                                 |                            |                            |                                     |
| Designated Funds          | 165,500                         | -                          | -                          | 165,500                             |
| Reserved Funds            | 113,700                         | -                          | -                          | 113,700                             |
|                           | <u>279,200</u>                  | <u>-</u>                   | <u>-</u>                   | <u>279,200</u>                      |
| <b>Total funds</b>        | <u>496,373</u>                  | <u>214,845</u>             | <u>(242,721)</u>           | <u>468,497</u>                      |
|                           | Balance at 1<br>March 2021<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Balance at 28<br>February 2022<br>£ |
| <b>Unrestricted funds</b> |                                 |                            |                            |                                     |
| <i>General</i>            |                                 |                            |                            |                                     |
| General Funds             | 182,075                         | 224,142                    | (189,044)                  | 217,173                             |
| <i>Designated</i>         |                                 |                            |                            |                                     |
| Designated Funds          | 165,500                         | -                          | -                          | 165,500                             |
| Reserved Funds            | 113,700                         | -                          | -                          | 113,700                             |
|                           | <u>279,200</u>                  | <u>-</u>                   | <u>-</u>                   | <u>279,200</u>                      |
| <b>Total funds</b>        | <u>461,275</u>                  | <u>224,142</u>             | <u>(189,044)</u>           | <u>496,373</u>                      |

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# Accounts

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Charity registration number: 301794

# The Crofton Community Association

Annual Report and Financial Statements

for the Year Ended 28 February 2022

# **The Crofton Community Association**

## **Contents**

|                                      |          |
|--------------------------------------|----------|
| Reference and Administrative Details | 1 to 3   |
| Trustees' Report                     | 4 to 6   |
| Statement of Responsibilities        | 7        |
| Independent Auditors' Report         | 8 to 11  |
| Statement of Financial Activities    | 12       |
| Balance Sheet                        | 13       |
| Notes to the Financial Statements    | 14 to 23 |

## **The Crofton Community Association**

### **Reference and Administrative Details**

#### **Trustees**

Mrs M Lawton, Honorary President

Mr M Lewis, Chairman

Mrs J Holden, Hon Secretary

Ms A Hayes

Mr A Lewis

Cllr S Dugan, FBC Representative

# **The Crofton Community Association**

## **Reference and Administrative Details**

### **Full Council**

Mrs S Coleman

Mr M Harrison

Ms A Hayes

Mrs J Holden, Honorary Secretary

Mrs M Lawton, Honorary President

Mr A Lewis

Mr M Lewis, Chairman

Mrs V Melville

Mrs V Pugh

Mr M Williams

Mrs J Wingate

Cllr S Dugan, FBC Representative (re-appointed May 2020)

Mr A Hathaway

Cllr P Hayre

### **Principal Office**

Crofton Community Centre  
Stubbington Lane  
Stubbington  
Fareham  
PO14 2PP

### **Charity Registration Number**

301794

## **The Crofton Community Association**

### **Reference and Administrative Details**

#### **Bankers**

United Trust Bank  
1 Ropemaker Street  
London  
EC2Y 9AW

Hampshire Trust Bank  
131 Finsbury Pavement  
London  
EC2A 1NT

Barclays Bank Plc  
Fareham  
67-69 West Street  
Fareham  
Hampshire  
PO16 0AW

Unity Trust Bank Plc  
9 Brindley Place  
Birmingham  
B1 2HB

Cambridge & Counties Bank Limited  
Charnwood Court  
New Walk  
Leicester  
LE1 6TE

#### **Accountant/Bookkeeper**

J Humphry Associates Limited  
11a Stubbington Green  
Fareham  
Hampshire  
PO14 2JG

#### **Auditor**

MMO Limited  
Chartered Accountants and Statutory Auditors  
Wellesley House  
204 London Road  
Waterlooville  
Hampshire  
PO7 7AN

#### **Solicitors**

Churchers  
12 High Street  
Fareham  
PO16 7BL

# **The Crofton Community Association**

## **Trustees' Report**

### **Disclosure of information to auditor**

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The Full council present their report and accounts for the year ended 28 February 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document and applicable law and the requirements of the Statements of Recommended Practice, "Accounting and Reporting by Charities" 2015 and has had due regard to guidance published by the Charity Commission on public benefit.

### **Constitution**

Crofton Community Association (CCA) is constituted under the terms of its governing document adopted on 22 January 1964 as amended 23 May 2001 and 14 May 2007 and 17 May 2010.

### **Objectives of the charity**

The charity's objectives are to promote for the benefit of the inhabitants of Stubbington and Hill Head Wards of the Fareham Borough Council (FBC), in association with the local authorities and other organisations, in a common effort to advance education and to provide recreation and leisure facilities within a community centre. There have been no changes in these objectives during the year.

The charity is administered by its Full Council and Management Committee who meet on a regular basis and no less than 4 times a year. A Centre Manager is appointed by the Management Committee to manage the day-to-day operations of the charity.

### **Trustees**

On enquiry, potential new trustees are given a welcome pack containing information about the organisation and being a trustee. Trustees are appointed annually, Local Authority Trustees at the FBC Annual General Meeting and all others at the Association's Annual General Meeting unless co-opted during the year.

### **Public benefit**

The Full Council consider that the objectives of the charity have been fulfilled and everything done has been for the benefit of the inhabitants of Stubbington and Hill Head Wards of the Borough of Fareham.

### **Review of activities**

The challenges continued throughout this past year as we grappled to keep on top of ever changing Covid related Government guidance and rules, whilst making every effort to open the Centre back to operational normality. The staff have shown extraordinary flexibility in accommodating these changes and for providing support to various groups as they re-established their drumbeat of activities. The Trustees are very grateful for their commitment and hard work in achieving this. It is pleasing to see so many members and groups back using the facilities and whilst some groups did not return after the lockdown, new groups and users have started up in their place. We estimate we are currently about 10% down on our hiring level compared to pre pandemic levels, but this continues to improve.

# **The Crofton Community Association**

## **Trustees' Report**

At the end of January 2022 Nicky Rayner, our Centre Manager for the past 20 years retired and her successor, Nicholas Scott, was appointed into the role. We are indebted to Nicky for her dedication in serving the community over these many years and for a job well done. We wish her the very best in her well-deserved retirement. Two months into the job Nick is settling in well and has some exciting ideas for the future. We look forward to working with Nick to support and encourage improvements for the centre which will benefit our members and users.

The Management Committee and Full Council extend their grateful thanks to the Centre Managers (past and present) and all the staff for their exceptional efforts this year in what has once again been a very disruptive and challenging period for the Association.

### **Future Developments**

The priorities for the next 12 months will be to continue to get the Centre back to full operation, grow the membership and to modernise and improve the facilities. Incorporated in that will be a project to upgrade our website and booking system.

The association continues to have an ambition to acquire an additional ground floor room to meet the demand for such hiring. We have set up a joint working group with Fareham Borough Council representatives to develop a project proposal for improving the sports changing facilities, toilet, and shower areas and to provide a garden room with kitchen space for CCA use. The project is in its early scoping phase and more details will be provided once we have made further progress. This is an exciting joint project which has the potential to replace and improve some tired facilities for the use of the local community.

### **Full Council**

The Full Council is elected annually and the last election was on 26 April 2021. In accordance with the Association's constitution, all the above (excluding the FBC Representative), will retire at the next Annual General Meeting on 16 May 2022.

The Association's leases are held in the names of the Holding Trustees: Mr A Burton and Mr P EJ Barber.

### **Review of Financial Position**

The impact of the pandemic lockdown and related Centre closure has continued to be reflected in our financial revenues throughout the year. As previously reported, many of the running costs and overheads have been mitigated through maximising the use of the Government's furlough scheme and claiming leisure grants from Central Government via FBC. These grants and revenues have been hugely important in keeping our finances in a healthy state and for that we are grateful. Given the financial instability we have experienced in the last two years and the fact that we have a newly appointed Centre Manager, the Trustees felt it was appropriate to have a full independent audit of our finances conducted by our designated accountants. We are confident that this will show that we are in a strong financial position and in good governance order as we enter this new financial year. This will allow us to meet some significant increases in our overheads (gas and electricity charges in particular) and hopefully implement some much-needed modernisation and improvements.

The Financial Statements show a surplus of income over expenditure of £35,098. Expenses in relation to the sports hall are recharged to FBC which amount to £6,569 (2021: £6,349).

The Committee has reviewed the requirements over the next twelve months and are satisfied that there are sufficient resources bearing in mind future income and expenditure.

# **The Crofton Community Association**

## **Trustees' Report**

### **Reserve Policy**

As agreed by the Management Committee on 22 November 2021, £104,000 is set aside in general funds that will cover:

- Staff contractual obligations (to include redundancy and pension)
- Fluctuations of income and expenditure
- Fulfil any contractual obligations, such as creditors
- Unforeseen building works required due to damage

The Crofton Community Association (CCA) also has designated funds for specific purposes.

The values of General and Designated funds are reviewed at least once a year but should never be less than three months expenditure in total.

### **Risk factors**

The Management Committee reviews on a regular basis the major risks to which the charity is exposed to ensure that systems are in place to mitigate these risks.

### **Asset Cover for Funds**

Note 19 sets out an analysis of the assets attributable to the various funds and the description of them. These assets are sufficient to meet the charity's obligations on a fund-by-fund basis.

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

.....  
Mr M Lewis  
Trustee

## **The Crofton Community Association**

### **Statement of Responsibilities**

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 applicable Charities (Accounts and Reports) Regulations, 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.

Approved by the trustees of the charity on ..... and signed on its behalf by:

.....  
Mr M Lewis  
Trustee

## **The Crofton Community Association**

### **Independent Auditor's Report to the Members of The Crofton Community Association**

#### **Opinion**

We have audited the financial statements of The Crofton Community Association (the 'charity') for the year ended 28 February 2022, which comprise the Statement of Financial Activities, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 28 February 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **The Crofton Community Association**

### **Independent Auditor's Report to the Members of The Crofton Community Association**

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the (set out on page ), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## **The Crofton Community Association**

### **Independent Auditor's Report to the Members of The Crofton Community Association**

#### **Auditor Responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **The Crofton Community Association**

### **Independent Auditor's Report to the Members of The Crofton Community Association**

#### **Use of our report**

This report is made solely to the charity trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....  
MMO Limited, Statutory Auditor

Wellesley House  
204 London Road  
Waterlooville  
Hampshire  
PO7 7AN

Date:.....

MMO Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# The Crofton Community Association

## Statement of Financial Activities for the Year Ended 28 February 2022

|                                    | Note | Unrestricted<br>£ | Total<br>2022<br>£    |
|------------------------------------|------|-------------------|-----------------------|
| <b>Income and Endowments from:</b> |      |                   |                       |
| Charitable activities              | 2    | 158,309           | 158,309               |
| Investment income                  | 3    | 2,228             | 2,228                 |
| Other income                       | 4    | 63,605            | 63,605                |
| Total Income                       |      | <u>224,142</u>    | <u>224,142</u>        |
| <b>Expenditure on:</b>             |      |                   |                       |
| Charitable activities              | 5    | <u>(189,044)</u>  | <u>(189,044)</u>      |
| Total Expenditure                  |      | <u>(189,044)</u>  | <u>(189,044)</u>      |
| Net movement in funds              |      | 35,098            | 35,098                |
| <b>Reconciliation of funds</b>     |      |                   |                       |
| Total funds brought forward        |      | <u>461,275</u>    | <u>461,275</u>        |
| Total funds carried forward        | 18   | <u>496,373</u>    | <u>496,373</u>        |
|                                    |      |                   | <b>Total<br/>2021</b> |
|                                    | Note | Unrestricted<br>£ | £                     |
| <b>Income and Endowments from:</b> |      |                   |                       |
| Charitable activities              | 2    | 60,176            | 60,176                |
| Investment income                  | 3    | 3,565             | 3,565                 |
| Other income                       | 4    | 158,868           | 158,868               |
| Total Income                       |      | <u>222,609</u>    | <u>222,609</u>        |
| <b>Expenditure on:</b>             |      |                   |                       |
| Charitable activities              | 5    | <u>(208,282)</u>  | <u>(208,282)</u>      |
| Total Expenditure                  |      | <u>(208,282)</u>  | <u>(208,282)</u>      |
| Net movement in funds              |      | 14,327            | 14,327                |
| <b>Reconciliation of funds</b>     |      |                   |                       |
| Total funds brought forward        |      | <u>446,948</u>    | <u>446,948</u>        |
| Total funds carried forward        | 18   | <u>461,275</u>    | <u>461,275</u>        |

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 is shown in note 18.

The notes on pages 14 to 23 form an integral part of these financial statements.

# The Crofton Community Association

## (Registration number: 301794) Balance Sheet as at 28 February 2022

|                                                       | Note | 2022<br>£ | 2021<br>£ |
|-------------------------------------------------------|------|-----------|-----------|
| <b>Fixed assets</b>                                   |      |           |           |
| Tangible assets                                       | 13   | 61,429    | 64,480    |
| <b>Current assets</b>                                 |      |           |           |
| Stocks                                                | 14   | -         | 25        |
| Debtors                                               | 15   | 6,770     | 2,125     |
| Cash at bank and in hand                              | 16   | 436,029   | 404,245   |
|                                                       |      | 442,799   | 406,395   |
| <b>Creditors: Amounts falling due within one year</b> | 17   | (7,855)   | (9,600)   |
| <b>Net current assets</b>                             |      | 434,944   | 396,795   |
| <b>Net assets</b>                                     |      | 496,373   | 461,275   |
| <b>Funds of the charity:</b>                          |      |           |           |
| <b>Unrestricted income funds</b>                      |      |           |           |
| Unrestricted funds                                    |      | 496,373   | 461,275   |
| <b>Total funds</b>                                    | 18   | 496,373   | 461,275   |

The financial statements on pages 12 to 23 were approved by the trustees, and authorised for issue on ..... and signed on their behalf by:

.....

Mr M Lewis  
Trustee

# **The Crofton Community Association**

## **Notes to the Financial Statements for the Year Ended 28 February 2022**

### **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**

The Crofton 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.

#### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

#### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### **Income and endowments**

##### ***Investment income***

Investment income is recognised on a receivable basis.

##### ***Charitable activities***

Income from charitable activities includes income recognised as earned (as the related goods or services) under contract.

#### **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.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including preparation and examination of the accounts, bank charges and the cost of any legal advice to trustees' on governance or constitutional matters.

# **The Crofton Community Association**

## **Notes to the Financial Statements for the Year Ended 28 February 2022**

### **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.

### **Tangible fixed assets**

Individual fixed assets costing £45.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

| <b>Asset class</b>     | <b>Depreciation method and rate</b> |
|------------------------|-------------------------------------|
| Computer equipment     | 33% straight line                   |
| Fixtures and fittings  | 25% straight line                   |
| Equipment              | 20% straight line                   |
| Leasehold improvements | 5% straight line                    |
| Property works         | 10% straight line                   |

### **Stock**

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business and are measured at cost, reviewed annually for impairment.

### **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.

### **Trade creditors**

Trade and other creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities unless there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

They are recognised initially at the transaction price.

## **The Crofton Community Association**

### **Notes to the Financial Statements for the Year Ended 28 February 2022**

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's 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.

#### **Pensions and other post retirement obligations**

The costs arising on the charity's defined contribution schemes are recognised in the SOFA in the period in which the related service is provided.

#### **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.

##### ***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.

## **The Crofton Community Association**

### **Notes to the Financial Statements for the Year Ended 28 February 2022**

#### ***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.

#### ***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.

# The Crofton Community Association

## Notes to the Financial Statements for the Year Ended 28 February 2022

### 2 Income from charitable activities

|                        | Unrestricted<br>funds<br>General<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£          |
|------------------------|---------------------------------------|--------------------|-----------------------------|
| Hammond Wing           | 65,879                                | 65,879             | 36,171                      |
| Sports Hall Wing       | 39,043                                | 39,043             | 10,538                      |
| Crofton Hall Link Wing | 35,210                                | 35,210             | 12,497                      |
| Subscriptions          | 18,177                                | 18,177             | 970                         |
|                        | <u>158,309</u>                        | <u>158,309</u>     | <u>60,176</u>               |
|                        |                                       |                    | <b>Total<br/>2022<br/>£</b> |

### 3 Investment income

|                                                                                 | Unrestricted<br>funds<br>General<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£ |
|---------------------------------------------------------------------------------|---------------------------------------|--------------------|--------------------|
| Interest receivable and similar income;<br>Interest receivable on bank deposits | <u>2,228</u>                          | <u>2,228</u>       | <u>3,565</u>       |

### 4 Other income

|                                   | Unrestricted<br>General<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£ |
|-----------------------------------|------------------------------|--------------------|--------------------|
| Other income                      | 105                          | 105                | 21,519             |
| Government Grant                  | 56,931                       | 56,931             | 131,000            |
| Fareham Borough Council recharges | <u>6,569</u>                 | <u>6,569</u>       | <u>6,349</u>       |
|                                   | <u>63,605</u>                | <u>63,605</u>      | <u>158,868</u>     |

# **The Crofton Community Association**

## **Notes to the Financial Statements for the Year Ended 28 February 2022**

### **5 Expenditure on charitable activities**

|                                                    |             | <b>Unrestricted</b> | <b>Total</b>   | <b>Total</b>   |
|----------------------------------------------------|-------------|---------------------|----------------|----------------|
|                                                    | <b>Note</b> | <b>General</b>      | <b>2022</b>    | <b>2021</b>    |
|                                                    |             | <b>£</b>            | <b>£</b>       | <b>£</b>       |
| Direct costs of charitable activities              |             | 39,196              | 39,196         | 40,744         |
| Depreciation, amortisation and other similar costs |             | 4,468               | 4,468          | 13,266         |
| Staff costs                                        |             | 142,978             | 142,978        | 151,822        |
| Governance costs including examiners fees          |             | 2,402               | 2,402          | 2,450          |
|                                                    |             | <u>189,044</u>      | <u>189,044</u> | <u>208,282</u> |

# **The Crofton Community Association**

## **Notes to the Financial Statements for the Year Ended 28 February 2022**

### **6 Analysis of governance and support costs**

#### **Governance costs**

|                                   | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>2022<br/>£</b> | <b>Total<br/>2021<br/>£</b> |
|-----------------------------------|-------------------------------------------------|-----------------------------|-----------------------------|
| Audit fees                        |                                                 |                             |                             |
| Audit of the financial statements | 1,174                                           | 1,174                       | 1,910                       |
| Legal fees                        | 50                                              | 50                          | -                           |
| Other governance costs            | 1,178                                           | 1,178                       | 540                         |
|                                   | <u>2,402</u>                                    | <u>2,402</u>                | <u>2,450</u>                |

### **7 Net incoming/outgoing resources**

Net incoming resources for the year include:

|                              | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
|------------------------------|-------------------|-------------------|
| Audit fees                   | 1,174             | 1,910             |
| Depreciation of fixed assets | <u>4,468</u>      | <u>13,266</u>     |

### **8 Trustees remuneration and expenses**

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

# **The Crofton Community Association**

## **Notes to the Financial Statements for the Year Ended 28 February 2022**

### **9 Staff costs**

The aggregate payroll costs were as follows:

|                                          | <b>2022</b>    | <b>2021</b>    |
|------------------------------------------|----------------|----------------|
|                                          | <b>£</b>       | <b>£</b>       |
| <b>Staff costs during the year were:</b> |                |                |
| Wages and salaries                       | 134,562        | 139,889        |
| Social security costs                    | 6,004          | 9,561          |
| Pension costs                            | 2,412          | 2,372          |
|                                          | <u>142,978</u> | <u>151,822</u> |

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:

|                                         | <b>2022</b> | <b>2021</b> |
|-----------------------------------------|-------------|-------------|
|                                         | <b>No</b>   | <b>No</b>   |
| Charitable activities - Full time staff | 4           | 4           |
| Charitable activities - Part time staff | 4           | 5           |
|                                         | <u>8</u>    | <u>9</u>    |

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

### **10 Independent examiner's remuneration**

### **11 Auditors' remuneration**

|                                   | <b>2022</b>  | <b>2021</b>  |
|-----------------------------------|--------------|--------------|
|                                   | <b>£</b>     | <b>£</b>     |
| Audit of the financial statements | <u>1,174</u> | <u>1,910</u> |

## The Crofton Community Association

### Notes to the Financial Statements for the Year Ended 28 February 2022

#### 12 Taxation

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

#### 13 Tangible fixed assets

|                       | Land and<br>buildings<br>£ | Furniture and<br>equipment<br>£ | Total<br>£ |
|-----------------------|----------------------------|---------------------------------|------------|
| <b>Cost</b>           |                            |                                 |            |
| At 1 March 2021       | 72,331                     | 128,814                         | 201,145    |
| Additions             | 1,417                      | -                               | 1,417      |
| At 28 February 2022   | 73,748                     | 128,814                         | 202,562    |
| <b>Depreciation</b>   |                            |                                 |            |
| At 1 March 2021       | 40,188                     | 96,477                          | 136,665    |
| Charge for the year   | 3,335                      | 1,133                           | 4,468      |
| At 28 February 2022   | 43,523                     | 97,610                          | 141,133    |
| <b>Net book value</b> |                            |                                 |            |
| At 28 February 2022   | 30,225                     | 31,204                          | 61,429     |
| At 28 February 2021   | 32,143                     | 32,337                          | 64,480     |

#### 14 Stock

|        | 2022<br>£ | 2021<br>£ |
|--------|-----------|-----------|
| Stocks | -         | 25        |

#### 15 Debtors

|               | 2022<br>£ | 2021<br>£ |
|---------------|-----------|-----------|
| Trade debtors | 4,184     | (319)     |
| Prepayments   | 2,586     | 2,444     |
|               | 6,770     | 2,125     |

#### 16 Cash and cash equivalents

|              | 2022<br>£ | 2021<br>£ |
|--------------|-----------|-----------|
| Cash at bank | 436,029   | 404,245   |

# The Crofton Community Association

## Notes to the Financial Statements for the Year Ended 28 February 2022

### 17 Creditors: amounts falling due within one year

|                 | 2022<br>£    | 2021<br>£    |
|-----------------|--------------|--------------|
| Trade creditors | 1,103        | 2,760        |
| Accruals        | 6,752        | 6,840        |
|                 | <u>7,855</u> | <u>9,600</u> |

### 18 Funds

|                           | Balance at 1<br>March 2021<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Balance at 28<br>February 2022<br>£ |
|---------------------------|---------------------------------|----------------------------|----------------------------|-------------------------------------|
| <b>Unrestricted funds</b> |                                 |                            |                            |                                     |
| <i>General</i>            |                                 |                            |                            |                                     |
| General Funds             | 182,075                         | 224,142                    | (189,044)                  | 217,173                             |
| <i>Designated</i>         |                                 |                            |                            |                                     |
| Designated Funds          | 165,500                         | -                          | -                          | 165,500                             |
| Reserved Funds            | <u>113,700</u>                  | <u>-</u>                   | <u>-</u>                   | <u>113,700</u>                      |
|                           | <u>279,200</u>                  | <u>-</u>                   | <u>-</u>                   | <u>279,200</u>                      |
| <b>Total funds</b>        | <u>461,275</u>                  | <u>224,142</u>             | <u>(189,044)</u>           | <u>496,373</u>                      |

|                           | Balance at 1<br>March 2020<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£  | Balance at<br>28 February<br>2021<br>£ |
|---------------------------|---------------------------------|----------------------------|----------------------------|-----------------|----------------------------------------|
| <b>Unrestricted funds</b> |                                 |                            |                            |                 |                                        |
| <i>General</i>            |                                 |                            |                            |                 |                                        |
| General Funds             | 120,748                         | 222,609                    | (208,282)                  | 47,000          | 182,075                                |
| <i>Designated</i>         |                                 |                            |                            |                 |                                        |
| Designated Funds          | 215,500                         | -                          | -                          | (50,000)        | 165,500                                |
| Reserved Funds            | <u>110,700</u>                  | <u>-</u>                   | <u>-</u>                   | <u>3,000</u>    | <u>113,700</u>                         |
|                           | <u>326,200</u>                  | <u>-</u>                   | <u>-</u>                   | <u>(47,000)</u> | <u>279,200</u>                         |
| <b>Total funds</b>        | <u>446,948</u>                  | <u>222,609</u>             | <u>(208,282)</u>           | <u>-</u>        | <u>461,275</u>                         |

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# Accounts

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Charity registration number: 301794

# The Crofton Community Association

Annual Report and Financial Statements

for the Year Ended 28 February 2021

## **The Crofton Community Association**

### **Contents**

|                                      |          |
|--------------------------------------|----------|
| Reference and Administrative Details | 1 to 3   |
| Trustees' Report                     | 4 to 6   |
| Statement of Responsibilities        | 7        |
| Independent Examiner's Report        | 8        |
| Statement of Financial Activities    | 9        |
| Balance Sheet                        | 10       |
| Notes to the Financial Statements    | 11 to 21 |

## **The Crofton Community Association**

### **Reference and Administrative Details**

#### **Trustees**

Mrs M Lawton, President

Mr M Lewis, Vice Chairman

Mrs J Holden, Hon Secretary

Ms A Hayes

Mr A Lewis

Cllr S Dugan, FBC Representative

#### **Centre Manager**

Mrs N Rayner

## **The Crofton Community Association**

### **Reference and Administrative Details**

#### **Full Council**

Mrs P Bissell

Mrs S Coleman

Mr J Guest, Chairman - deceased October 2020

Ms A Hayes

Mrs J Holden, Hon Secretary

Mrs M Lawton, President

Mr A Lewis

Mr M Lewis, Vice Chairman

Cllr J Forrest, Deputy FBC Representative (re-appointed May 2020)

Mrs V Melville

Mrs V Pugh

Mr M Williams

Mrs J Wingate

Cllr S Dugan, FBC Representative (re-appointed May 2020)

Mr A Hathaway

Mr K Hockley

#### **Principal Office**

Crofton Community Centre  
Stubbington Lane  
Stubbington  
Fareham  
PO14 2PP

#### **Charity Registration Number**

301794

## **The Crofton Community Association**

### **Reference and Administrative Details**

#### **Bankers**

United Trust Bank  
1 Ropemaker Street  
London  
EC2Y 9AW

Hampshire Trust Bank  
131 Finsbury Pavement  
London  
EC2A 1NT

Barclays Bank Plc  
Fareham  
67-69 West Street  
Fareham  
Hampshire  
PO16 0AW

Unity Trust Bank Plc  
9 Brindley Place  
Birmingham  
B1 2HB

Cambridge & Counties Bank Limited  
Charnwood Court  
New Walk  
Leicester  
LE1 6TE

#### **Accountant/Bookkeeper**

J Humphry Associates Limited  
11a Stubbington Green  
Fareham  
Hampshire  
PO14 2JG

#### **Auditor**

MMO Limited  
Chartered Accountants and Statutory Auditors  
Wellesley House  
204 London Road  
Waterlooville  
Hampshire  
PO7 7AN

#### **Solicitors**

Churchers  
12 High Street  
Fareham  
PO16 7BL

## **The Crofton Community Association**

### **Trustees' Report**

The Full council present their report and accounts for the year ended 28 February 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document and applicable law and the requirements of the Statements of Recommended Practice, "Accounting and Reporting by Charities" 2015 and has had due regard to guidance published by the Charity Commission on public benefit.

#### **Constitution**

Crofton Community Association (CCA) is constituted under the terms of its governing document adopted on 22 January 1964 as amended 23 May 2001 and 14 May 2007 and 17 May 2010.

#### **Objectives of the charity**

The charity's objectives are to promote for the benefit of the inhabitants of Stubbington and Hill Head Wards of the Fareham Borough Council (FBC), in association with the local authorities and other organisations, in a common effort to advance education and to provide recreation and leisure facilities within a community centre. There have been no changes in these objectives during the year.

The charity is administered by its Full Council and Management Committee who meet on a regular basis and no less than 4 times a year. A Centre Manager is appointed by the Management Committee to manage the day-to-day operations of the charity.

#### **Trustees**

On enquiry, potential new trustees are given a welcome pack containing information about the organisation and being a trustee. Trustees are appointed annually, Local Authority Trustees at the FBC Annual General Meeting and all others at the Association's Annual General Meeting unless co-opted during the year.

#### **Public benefit**

The Full Council consider that the objectives of the charity have been fulfilled and everything done has been for the benefit of the inhabitants of Stubbington and Hill Head Wards of the Borough of Fareham.

#### **Review of activities**

This has been a year of extraordinary challenges for the charity with normal business being disrupted by the Covid 19 Pandemic. The Government imposed restrictions resulted in 2 lengthy lockdown periods where the Centre was closed to the public. There were some restricted activities from mid-July to early November, after extensive Covid safety measures were put in place, but these were limited. Arrangements were also put in place to allow a Nursery to continue providing a service, especially for children of local front -line workers.

During the closed period a long-awaited project to upgrade and modernise the main entrance, reception and staff offices was undertaken with protocols in place to ensure this was done safely. This included the installation of an automated door access to achieve Equality Act compliance. The out-turn cost of the building works was £34,786 which was £5130 under budget. All works were undertaken in consultation with our Landlords, Fareham Borough Council. The improvements have been well received by members and staff alike. A County Councillor grant of £990 was received which enabled replacement plastic chairs to be purchased.

## **The Crofton Community Association**

### **Trustees' Report**

The impact of the lockdowns on financial revenue has been substantial but many of the running costs and overheads have been mitigated through maximising the use of the Government's furlough scheme and claiming leisure grants from Central Government via FBC. A successful claim for business disruption from our insurers was also made. Sadly, we also had to make two part time staff redundant during this period.

Whilst this has been a very disruptive year the charity is well placed to open up fully again once all Pandemic restrictions have been lifted and will be ready to continue to provide excellent facilities for our members and the community as a whole.

The Full Council and the Management Committee extend their grateful thanks to the Centre Manager and her staff for their exceptional efforts this year in what has been a very disruptive and challenging period for the Association.

Membership is strong and the activities supported are many and varied.

The Full Council and the Management Committee thank the Centre Manager and her staff for their hard work during the year.

#### **Future developments**

The priority for the next 12 months will be getting the Centre opened up again and back to full operation as soon as restrictions are lifted. It is anticipated that this will be a slow start, as confidence in social mixing will take some time to build. The focus will be to get membership levels back to where they were prior to the pandemic and extend the membership through a proactive advertising campaign. The scope for future development for the next year will be limited as we concentrate on stability and a return to normality.

The association continues to have an ambition to acquire an additional ground floor room to meet the demand for such hiring. The potential for taking over the ladies shower room and changing area from Fareham Borough Council remains an attractive option but will likely be on hold for the foreseeable future whilst we recover and consolidate our position post pandemic.

#### **Full Council**

The Full Council is elected annually and the last election was on 29 April 2019. In accordance with the Association's constitution, all the above (excluding the FBC Representative), will retire at the next Annual General Meeting on 26 April 2021. All existing members agreed to continue.

The Association's leases are held in the names of the Holding Trustees Mr A Burton and Mr P E J Barber.

#### **Review of financial position**

The Financial Statements show a surplus of income over expenditure of £14,327 as shown on page 10.

FBC continues to provide support to the Association. Expenses in relation to the sports hall are recharged to FBC which amount to £6,349 (2020: £11,286).

The Committee has reviewed the requirements over the next twelve months and are satisfied that there are sufficient resources bearing in mind future income and expenditure.

#### **Reserve policy**

## **The Crofton Community Association**

### **Trustees' Report**

As agreed by the management committee on 15 February 2021, £113,700 is set aside in general funds that will cover:

- Staff contractual obligations (to include redundancy and pension)
- Fluctuations of income and expenditure
- Fulfil any contractual obligations, such as creditors
- Unforeseen building works required due to damage

The Crofton Community Association (CCA) also has designated funds for specific purposes.

The values of General and Designated funds are reviewed at least once a year but should never be less than three months expenditure in total.

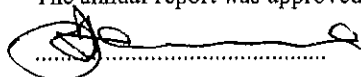
#### **Risk factors**

The Management Committee reviews on a regular basis the major risks to which the charity is exposed to ensure that systems are in place to mitigate these risks.

#### **Asset cover for funds**

Note 19 sets out an analysis of the assets attributable to the various funds and the description of them. These assets are sufficient to meet the charity's obligations on a fund-by-fund basis.

The annual report was approved by the trustees of the charity on 28 April 2021 and signed on its behalf by:



Mr M Lewis

Trustee

## The Crofton Community Association

### Statement of Responsibilities

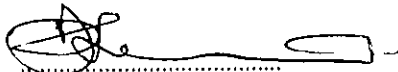
The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 applicable Charities (Accounts and Reports) Regulations, 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.

Approved by the trustees of the charity on 17/5/21 and signed on its behalf by:



Mr M Lewis  
Trustee

## **The Crofton Community Association**

### **Independent Examiner's Report to the trustees of The Crofton Community Association**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 28 February 2021 which are set out on pages 9 to 21.

#### **Respective responsibilities of trustees and examiner**

As the charity's trustees of The Crofton 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 The Crofton 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 The Crofton 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

Date: 24/7/21

# The Crofton Community Association

## Statement of Financial Activities for the Year Ended 28 February 2021

|                                    | Note | Unrestricted<br>£ | Total<br>2021<br>£ |
|------------------------------------|------|-------------------|--------------------|
| <b>Income and Endowments from:</b> |      |                   |                    |
| Donations and legacies             |      | -                 | -                  |
| Charitable activities              | 2    | 60,176            | 60,176             |
| Investment income                  | 3    | 3,565             | 3,565              |
| Other income                       | 4    | 158,868           | 158,868            |
| Total Income                       |      | <u>222,609</u>    | <u>222,609</u>     |
| <b>Expenditure on:</b>             |      |                   |                    |
| Charitable activities              | 5    | <u>(208,282)</u>  | <u>(208,282)</u>   |
| Total Expenditure                  |      | <u>(208,282)</u>  | <u>(208,282)</u>   |
| Net movement in funds              |      | 14,327            | 14,327             |
| <b>Reconciliation of funds</b>     |      |                   |                    |
| Total funds brought forward        |      | <u>446,948</u>    | <u>446,948</u>     |
| Total funds carried forward        | 17   | <u>461,275</u>    | <u>461,275</u>     |
|                                    | Note | Unrestricted<br>£ | Total<br>2020<br>£ |
| <b>Income and Endowments from:</b> |      |                   |                    |
| Charitable activities              | 2    | 218,197           | 218,197            |
| Investment income                  | 3    | 3,844             | 3,844              |
| Other income                       | 4    | 12,181            | 12,181             |
| Total Income                       |      | <u>234,222</u>    | <u>234,222</u>     |
| <b>Expenditure on:</b>             |      |                   |                    |
| Charitable activities              | 5    | <u>(212,656)</u>  | <u>(212,656)</u>   |
| Total Expenditure                  |      | <u>(212,656)</u>  | <u>(212,656)</u>   |
| Net movement in funds              |      | 21,566            | 21,566             |
| <b>Reconciliation of funds</b>     |      |                   |                    |
| Total funds brought forward        |      | <u>425,382</u>    | <u>425,382</u>     |
| Total funds carried forward        | 17   | <u>446,948</u>    | <u>446,948</u>     |

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 17.

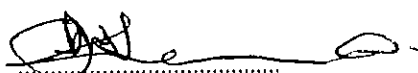
The notes on pages 11 to 21 form an integral part of these financial statements.

**The Crofton Community Association**

(Registration number: 301794)  
**Balance Sheet as at 28 February 2021**

|                                                       | Note | 2021<br>£ | 2020<br>£ |
|-------------------------------------------------------|------|-----------|-----------|
| <b>Fixed assets</b>                                   |      |           |           |
| Tangible assets                                       | 12   | 64,480    | 43,401    |
| <b>Current assets</b>                                 |      |           |           |
| Stocks                                                | 13   | 25        | 25        |
| Debtors                                               | 14   | 2,125     | 14,204    |
| Cash at bank and in hand                              | 15   | 404,245   | 395,668   |
|                                                       |      | 406,395   | 409,897   |
| <b>Creditors: Amounts falling due within one year</b> | 16   | (9,600)   | (6,350)   |
| <b>Net current assets</b>                             |      | 396,795   | 403,547   |
| <b>Net assets</b>                                     |      | 461,275   | 446,948   |
| <b>Funds of the charity:</b>                          |      |           |           |
| <b>Unrestricted income funds</b>                      |      |           |           |
| Unrestricted funds                                    |      | 461,275   | 446,948   |
| <b>Total funds</b>                                    | 17   | 461,275   | 446,948   |

The financial statements on pages 9 to 21 were approved by the trustees, and authorised for issue on 17/5/21 and signed on their behalf by:



Mr M Lewis  
Trustee

## **The Crofton Community Association**

### **Notes to the Financial Statements for the Year Ended 28 February 2021**

#### **1 Accounting policies**

##### **Statement of compliance**

The financial statements 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 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

##### **Basis of preparation**

The Crofton Community Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

##### **Income and endowments**

###### ***Investment income***

Investment income is recognised on a receivable basis.

###### ***Charitable activities***

Income from charitable activities includes income recognised as earned (as the related goods or services) under contract.

##### **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.

## **The Crofton Community Association**

### **Notes to the Financial Statements for the Year Ended 28 February 2021**

#### ***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.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including preparation and examination of the accounts, bank charges and the cost of any legal advice to trustees' on governance or constitutional matters.

#### **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.

#### **Tangible fixed assets**

Individual fixed assets costing £45.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

| <b>Asset class</b>     | <b>Depreciation method and rate</b> |
|------------------------|-------------------------------------|
| Computer equipment     | 33% straight line                   |
| Fixtures and fittings  | 25% straight line                   |
| Equipment              | 20% straight line                   |
| Leasehold improvements | 5% straight line                    |
| Property works         | 10% straight line                   |

#### **Stock**

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business and are measured at cost, reviewed annually for impairment.

## **The Crofton Community Association**

### **Notes to the Financial Statements for the Year Ended 28 February 2021**

#### **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.

#### **Trade creditors**

Trade and other creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities unless there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

They are recognised initially at the transaction price.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's 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.

#### **Pensions and other post retirement obligations**

The costs arising on the charity's defined contribution schemes are recognised in the SOFA in the period in which the related service is provided.

#### **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.

## **The Crofton Community Association**

### **Notes to the Financial Statements for the Year Ended 28 February 2021**

#### ***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.

## **The Crofton Community Association**

### **Notes to the Financial Statements for the Year Ended 28 February 2021**

#### ***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.

#### ***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.

# **The Crofton Community Association**

## **Notes to the Financial Statements for the Year Ended 28 February 2021**

### **2 Income from charitable activities**

|                        | Unrestricted<br>funds<br>General<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|------------------------|---------------------------------------|--------------------|--------------------|
| Hammond Wing           | 36,171                                | 36,171             | 87,527             |
| Sports Hall Wing       | 10,538                                | 10,538             | 50,704             |
| Crofton Hall Link Wing | 12,497                                | 12,497             | 58,073             |
| Subscriptions          | 970                                   | 970                | 20,993             |
| Magazine income        | -                                     | -                  | 900                |
|                        | <u>60,176</u>                         | <u>60,176</u>      | <u>218,197</u>     |

### **3 Investment income**

|                                                                                 | Unrestricted<br>funds<br>General<br>£ | Total<br>funds<br>£ |
|---------------------------------------------------------------------------------|---------------------------------------|---------------------|
| Interest receivable and similar income;<br>Interest receivable on bank deposits | <u>3,565</u>                          | <u>3,565</u>        |
| <b>Total for 2021</b>                                                           | <u>3,565</u>                          | <u>3,565</u>        |
| <b>Total for 2020</b>                                                           | <u>3,844</u>                          | <u>3,844</u>        |

### **4 Other income**

|                                   | Unrestricted<br>General<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|-----------------------------------|------------------------------|--------------------|--------------------|
| Other income                      | 21,519                       | 21,519             | 895                |
| Government Grant                  | 131,000                      | 131,000            | -                  |
| Fareham Borough Council recharges | <u>6,349</u>                 | <u>6,349</u>       | <u>11,286</u>      |
|                                   | <u>158,868</u>               | <u>158,868</u>     | <u>12,181</u>      |

# **The Crofton Community Association**

## **Notes to the Financial Statements for the Year Ended 28 February 2021**

### **5 Expenditure on charitable activities**

|                                                    |             | <b>Unrestricted</b> |                |                |
|----------------------------------------------------|-------------|---------------------|----------------|----------------|
|                                                    | <b>Note</b> | <b>General</b>      | <b>Total</b>   | <b>Total</b>   |
|                                                    |             | <b>£</b>            | <b>2021</b>    | <b>2020</b>    |
|                                                    |             |                     | <b>£</b>       | <b>£</b>       |
| Direct costs of charitable activities              |             | 40,744              | 40,744         | 49,483         |
| Depreciation, amortisation and other similar costs |             | 13,266              | 13,266         | 10,822         |
| Staff costs                                        |             | 151,822             | 151,822        | 150,949        |
| Governance costs including examiners fees          |             | 2,450               | 2,450          | 1,402          |
|                                                    |             | <u>208,282</u>      | <u>208,282</u> | <u>212,656</u> |

# **The Crofton Community Association**

## **Notes to the Financial Statements for the Year Ended 28 February 2021**

### **6 Analysis of governance and support costs**

#### **Governance costs**

|                                   | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>funds<br/>£</b> |
|-----------------------------------|-------------------------------------------------|------------------------------|
| Audit fees                        |                                                 |                              |
| Audit of the financial statements | 1,910                                           | 1,910                        |
| Other governance costs            | 540                                             | 540                          |
| <b>Total for 2021</b>             | <u>2,450</u>                                    | <u>2,450</u>                 |
| <b>Total for 2020</b>             | <u>1,402</u>                                    | <u>1,402</u>                 |

### **7 Net incoming/outgoing resources**

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

|                              | <b>2021<br/>£</b> | <b>2020<br/>£</b> |
|------------------------------|-------------------|-------------------|
| Audit fees                   | 1,910             | 1,123             |
| Depreciation of fixed assets | <u>13,266</u>     | <u>10,822</u>     |

### **8 Trustees remuneration and expenses**

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

## **The Crofton Community Association**

### **Notes to the Financial Statements for the Year Ended 28 February 2021**

#### **9 Staff costs**

The aggregate payroll costs were as follows:

|                                          | <b>2021</b>    | <b>2020</b>    |
|------------------------------------------|----------------|----------------|
|                                          | <b>£</b>       | <b>£</b>       |
| <b>Staff costs during the year were:</b> |                |                |
| Wages and salaries                       | 139,889        | 141,396        |
| Social security costs                    | 9,561          | 7,228          |
| Pension costs                            | 2,372          | 2,325          |
|                                          | <u>151,822</u> | <u>150,949</u> |

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

|                                         | <b>2021</b> | <b>2020</b> |
|-----------------------------------------|-------------|-------------|
|                                         | <b>No</b>   | <b>No</b>   |
| Charitable activities - Full time staff | 4           | 4           |
| Charitable activities - Part time staff | 5           | 5           |
|                                         | <u>9</u>    | <u>9</u>    |

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

#### **10 Auditors' remuneration**

|                                   | <b>2021</b>  | <b>2020</b>  |
|-----------------------------------|--------------|--------------|
|                                   | <b>£</b>     | <b>£</b>     |
| Audit of the financial statements | <u>1,910</u> | <u>1,123</u> |

## The Crofton Community Association

### Notes to the Financial Statements for the Year Ended 28 February 2021

#### 11 Taxation

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

#### 12 Tangible fixed assets

|                       | Land and<br>buildings<br>£ | Furniture and<br>equipment<br>£ | Total<br>£     |
|-----------------------|----------------------------|---------------------------------|----------------|
| <b>Cost</b>           |                            |                                 |                |
| At 1 March 2020       | 72,331                     | 94,469                          | 166,800        |
| Additions             | -                          | 34,345                          | 34,345         |
| At 28 February 2021   | <u>72,331</u>              | <u>128,814</u>                  | <u>201,145</u> |
| <b>Depreciation</b>   |                            |                                 |                |
| At 1 March 2020       | 33,154                     | 90,245                          | 123,399        |
| Charge for the year   | <u>7,034</u>               | <u>6,232</u>                    | <u>13,266</u>  |
| At 28 February 2021   | <u>40,188</u>              | <u>96,477</u>                   | <u>136,665</u> |
| <b>Net book value</b> |                            |                                 |                |
| At 28 February 2021   | <u>32,143</u>              | <u>32,337</u>                   | <u>64,480</u>  |
| At 29 February 2020   | <u>39,177</u>              | <u>4,224</u>                    | <u>43,401</u>  |

#### 13 Stock

|        | 2021<br>£ | 2020<br>£ |
|--------|-----------|-----------|
| Stocks | <u>25</u> | <u>25</u> |

#### 14 Debtors

|               | 2021<br>£    | 2020<br>£     |
|---------------|--------------|---------------|
| Trade debtors | (319)        | 9,844         |
| Prepayments   | <u>2,444</u> | <u>4,360</u>  |
|               | <u>2,125</u> | <u>14,204</u> |

#### 15 Cash and cash equivalents

|              | 2021<br>£      | 2020<br>£      |
|--------------|----------------|----------------|
| Cash at bank | <u>404,245</u> | <u>395,668</u> |

# The Crofton Community Association

## Notes to the Financial Statements for the Year Ended 28 February 2021

### 16 Creditors: amounts falling due within one year

|                 | 2021<br>£    | 2020<br>£    |
|-----------------|--------------|--------------|
| Trade creditors | 2,760        | -            |
| Accruals        | 6,840        | 6,350        |
|                 | <u>9,600</u> | <u>6,350</u> |

### 17 Funds

|                           | Balance at 1<br>March 2020<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£  | Balance at<br>28 February<br>2021<br>£ |
|---------------------------|---------------------------------|----------------------------|----------------------------|-----------------|----------------------------------------|
| <b>Unrestricted funds</b> |                                 |                            |                            |                 |                                        |
| <i>General</i>            |                                 |                            |                            |                 |                                        |
| General Funds             | 120,748                         | 222,609                    | (208,282)                  | 47,000          | 182,075                                |
| <i>Designated</i>         |                                 |                            |                            |                 |                                        |
| Designated Funds          | 215,500                         | -                          | -                          | (50,000)        | 165,500                                |
| Reserved Funds            | <u>110,700</u>                  | <u>-</u>                   | <u>-</u>                   | <u>3,000</u>    | <u>113,700</u>                         |
|                           | <u>326,200</u>                  | <u>-</u>                   | <u>-</u>                   | <u>(47,000)</u> | <u>279,200</u>                         |
| <b>Total funds</b>        | <u>446,948</u>                  | <u>222,609</u>             | <u>(208,282)</u>           | <u>-</u>        | <u>461,275</u>                         |
|                           | Balance at 1<br>March 2019<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£  | Balance at<br>29 February<br>2020<br>£ |
| <b>Unrestricted funds</b> |                                 |                            |                            |                 |                                        |
| <i>General</i>            |                                 |                            |                            |                 |                                        |
| General Funds             | 266,882                         | 233,838                    | (212,272)                  | (167,700)       | 120,748                                |
| <i>Designated</i>         |                                 |                            |                            |                 |                                        |
| Designated Funds          | 158,500                         | -                          | -                          | 57,000          | 215,500                                |
| Reserved Funds            | <u>-</u>                        | <u>-</u>                   | <u>-</u>                   | <u>110,700</u>  | <u>110,700</u>                         |
|                           | <u>158,500</u>                  | <u>-</u>                   | <u>-</u>                   | <u>167,700</u>  | <u>326,200</u>                         |
| <b>Total funds</b>        | <u>425,382</u>                  | <u>233,838</u>             | <u>(212,272)</u>           | <u>-</u>        | <u>446,948</u>                         |