

# **SOUTHWICK COMMUNITY ASSOCIATION**



## **REPORT OF THE TRUSTEES**

**AND**

## **FINANCIAL STATEMENTS**

**FOR THE**

**YEAR ENDED 31 MARCH 2022**

# **SOUTHWICK COMMUNITY ASSOCIATION**

## **REPORT AND STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

### **CONTENTS**

	<i>Page</i>
<b>General Information</b>	<b>3</b>
<b>Trustees' Report</b>	<b>4 - 7</b>
<b>Independent Examiner's Report</b>	<b>8</b>
<b>Statement of Financial Activities</b>	<b>9</b>
<b>Balance Sheet</b>	<b>10</b>
<b>Notes to the Financial Statements</b>	<b>11 - 15</b>

# **SOUTHWICK COMMUNITY ASSOCIATION**

## **REPORT & ACCOUNTS for the year ended 31 March 2022**

### **General Information**

<b>Trustees</b>	Malcolm Gough	<i>(Chairman)</i>
	Tony Brownings	<i>(Hon Secretary)</i>
	Bob Ryder	<i>(Hon Treasurer)</i>
	David Comber	<i>(Vice-Chairman)</i>
	Maxine Coomber	<i>(President)</i>
	Michael Coomber	<i>(Vice-President)</i>
	Simon Armes	
	Maureen Cripps	
	Angus Dunn	
	Philip Evans	
	Yvonne Fair	
	John Garland	
	Roger Needham	
	Martin Oakley	
	Raymond Richards	
	Philip Simons	

**Registered Charity No.** 305370

**Address** Southwick Community Centre  
24 Southwick Street  
Southwick  
West Sussex BN42 4TE

**Independent Examiner** Malcolm Wood FCA

**Bankers** Barclays Bank plc, Leicester LE87 2BB

## SOUTHWICK COMMUNITY ASSOCIATION

*The Association is an unincorporated association, founded under a constitution originally adopted in January 1945 (and most recently amended in June 2012).  
We are a registered charity (registration number 305370).*

The Association's constitution reflects the requirements of modern charity legislation and recommended good practice for community associations.

### REPORT OF THE TRUSTEES for the year ended 31 March 2022

*Responsibility for the overall control of the Association's affairs rests in the board of managing trustees, elected each year by the membership at the AGM.*

#### **The Board of Trustees serving in 2021-22**

Malcolm Gough	(Chairman)
Tony Brownings	(Hon Secretary)
Bob Ryder	(Hon Treasurer)
David Comber	(Vice-Chairman)
Maxine Coomber	(President)
Michael Coomber	(Vice-President)
Simon Armes	
Maureen Cripps	
Angus Dunn	
Philip Evans	
Yvonne Fair	
John Garland	
Roger Needham	
Martin Oakley	
Raymond Richards	
Philip Simons	

The Trustees herewith present their report, together with the financial statements of the Association, for the financial year beginning on 1 April 2021 and ending on 31 March 2022.

## Charitable purposes & public benefit

*The Association works with public authorities, charities and other organisations, and with individual volunteers, to advance education and to provide facilities for social welfare, recreation and leisure-time occupation, for the benefit of the people of Southwick and its wider neighbourhood.*

In fulfilment of its charitable objectives, the Association runs a large community centre in Southwick, West Sussex. The Centre and its facilities are an important focus for the local community, with a wide range of events, activities and participating organisations. The Association seeks to maintain a continuous programme of renewing, developing and improving the Centre's facilities and services, for the benefit of local people.

The Trustees pay careful regard to the Charity Commission's guidance on public benefit. We apply it in our general overview of the Association's affairs and have continued to do so in our decision making during the year.

A wide-ranging account of the activities and workings of the Community Centre, along with information about its facilities, management and history, is available on the Association's website, [www.southwickcommunitycentre.org.uk](http://www.southwickcommunitycentre.org.uk).

## A brief summary of the year

### The challenge of recovery after the Covid pandemic

At the start of the financial year, the country was still largely under various pandemic restrictions. By the end of July 2021, many of the national restrictions were being lifted. However, for the Community Centre it was really only from September 2021 that a fuller range of activities started to get going again, as organisations and individuals began to regain confidence. And even then, going into early 2022, many cautionary measures remained in force. So the revival of community activities was very much a gradual one.

However, the Trustees were pleased to be able to wind down the emergency procedures they had introduced in 2020. By the autumn of 2021, meetings of the Board and its committees were fully restored to an 'in-person' basis. And the time came for the temporary role of our four 'executive' trustee officers, for delegated decision-making, to be dissolved.

As public confidence began to grow, we were pleased to welcome back many (though sadly not all) of the familiar groups, organisations, classes and individual visitors from previous years. The gradual nature of the recovery was reflected in the income coming into our everyday operating fund, from users of the Community Centre. In the first half of the financial year that income was £50,000; but in the second half it was £100,000. Although even this was still substantially below the levels of the last few 'normal' years before the pandemic, the Trustees have been heartened by the positive signs of recovery.

However, the challenge ahead is still formidable, exacerbated by the worsening of economic conditions across the country. These conditions impact directly on our running costs, of course; but they also erode the incomes and well-being of the community we serve. In the final months of 2021-22 a number of initiatives were being drawn up to widen the reach of the Community Centre, aiming to stimulate new activities and opportunities for local people. Our concern is to respond to the social challenge, as well as the economic one.

## Financial overview of the year

*All of the Association's assets and liabilities relate to delivery of its charitable aims and objectives.  
Our direct expenses in providing charitable services are the personnel and other costs involved in running the Community Centre and making the facilities available for community activities.  
The management and administration expenses are mainly personnel costs.  
We determine the levels of staff pay in accordance with a policy most recently codified in 2015.*

**Our Operating Fund, for the day-to-day running of the Community Centre** (p.9 below) actually ended with a surplus of £16,000 for the year - though a significant factor was our receiving government emergency grants of £24,000 during the year, which averted a loss.

- **Income** - our usual main income streams, from community users (£150,000) was down 33% from what it was ('pre-pandemic') in 2019-20.
- **Expenditure** on running costs (£158,000) was also 33% lower than in the last 'normal' year before the pandemic, 2019-20. The main factor in our reduced costs was basically the reduced day-to-day activity at the Centre during the year.

**Our Development Fund, for improvements to the Centre's facilities and equipment** (p.9 below) received much reduced income compared with pre-pandemic levels; but a highlight was the holding of the 'mini' one-day Beer Festival in September 2021, which managed to generate a net surplus of more than £4,000. And given the timing, in the early weeks of restrictions being lifted, it was a great morale booster. We also received donations of £1,000 from groups and individuals - including from the theatre-goers at our community performance space, who were keen to return to the Barn Theatre from September 2021.

**Our capital expenditure** for the year was exceptionally low, at just £3,000. This was confined to some minor works to the fabric of the buildings (£2,000) and the replacement of miscellaneous equipment (£1,000). This pause in capital investment in our facilities was a difficult decision, but a necessary precaution in the second year of the emergency.

Largely because of the cautious capital spending this year, our financial position actually improved, reversing some of the fall of £32,000 in our net current assets in 2020-21.

But we should also note the significant effect that government financial support has played in this. In the last two tough financial years, the Community Centre has benefited from £100,000 in grants from public funds (through the "job retention" and "business closure" schemes).

## The Association's funds and its policy on reserves

*The financial statements (p.9-15 below) set out the assets and liabilities of our funds.*

- The **Operating Fund** is concerned with the day-to-day running of the Community Centre.  
We aim to maintain an operating reserve at a level to ensure adequate resources to cope with unexpected pressures and short-term deficits. Now the pandemic pressures have eased, this reserve is being kept at around 50% of a normal year's operating expenditure.

- The **Development Fund** is sustained by fundraising from community and social events; by donations; by charitable grant awards; and by reserves set aside for development and renewal purposes.

These are resources designated for renovation and improvement to the Community Centre; and for development of the facilities, equipment and services provided to the community.

- The **Establishment Fund** comprises the “book value” of improvements we have carried out to the fabric of our leasehold buildings (i.e. the Community Centre itself).

Much of this book value was created from the deployment of capital grants received in the 1990s, to carry out major works of development and improvement.

### Statement of the Trustees’ responsibilities

Under the law applicable to charities in England and Wales, the Trustees must prepare financial statements for each financial year, giving a true and fair view of the Association’s financial activities during the year and of its financial position at the end of the year. In preparing these financial statements, giving a true and fair view, the Trustees are expected to follow best practice and to:

- select suitable accounting policies, and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed (subject to any departures disclosed and explained in the financial statements);
- prepare the financial statements on a “going-concern” basis (unless circumstances mean that assumption is no longer appropriate).

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the Association, and that enable them both to ascertain the financial position of the Association and to ensure the financial statements comply with the Charities Act 2011.

The Trustees are responsible for safeguarding the assets of the charity - and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Trustees: [ **Malcolm Gough** ] and [ **Robert Ryder** ]

Dated: 20 January 2023

## **INDEPENDENT EXAMINER'S REPORT**

*to the Trustees of* **SOUTHWICK COMMUNITY ASSOCIATION**

I report on the accounts of the charity for the year ended 31 March 2022, which are set out on pages 9 to 15 below.

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

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under section 144 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts (under section 145 of the 2011 Act);
- to follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 145(5)(b) of the 2011 Act);
- to state whether particular matters have come to my attention.

### **Basis of independent examiner's report**

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with these records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the view given by the accounts.

### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that, in any material respect, the requirements:
- to keep accounting records in accordance with section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and to comply with the requirements of the 2011 Act;
- have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

[ **Malcolm Wood** F.C.A. ]

Fellow of the Institute of Chartered Accountants in England and Wales

Dated: 20 January 2023



# SOUTHWICK COMMUNITY ASSOCIATION

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

	Unrestricted Funds	Restricted Funds	TOTAL FUNDS 2022	Total Funds 2021
	£	£	£	£
<b>INCOME AND EXPENDITURE</b>				
	<i>Note *</i>			
<b>INCOMING RESOURCES</b>				
<b>Charitable activities</b>				
Operation of the community centre	149,928		149,928	43,979
<b>Other activities to generate funds</b>				
Community events & fundraising	8,971		8,971	0
Donations, gifts and legacies	944		944	1,992
Grants	24,258		24,258	76,219
Interest from deposit accounts	117		117	284
<b>TOTAL incoming resources</b>	<b>184,218</b>	<b>0</b>	<b>184,218</b>	<b>122,474</b>
<b>EXPENDED RESOURCES</b>				
<b>Cost of generating funds</b>				
Community events & fundraising	4,401		4,401	0
NET incoming resources available for charitable application	179,817	0	179,817	122,474
<b>Charitable expenditure</b>				
Operating community facilities & services	127,349	28,894	156,243	132,032
Management and administration	38,702	-	38,702	34,607
<b>TOTAL charitable resources expended</b>	<b>166,051</b>	<b>28,894</b>	<b>194,945</b>	<b>166,639</b>
<b>Movement in funds (2021-22)</b>	<b>13,766</b>	<b>(28,894)</b>	<b>(15,128)</b>	<b>(44,165)</b>
<b>Fund Transfers</b>	<b>(1,968)</b>	<b>1,968</b>	<b>0</b>	<b>0</b>
<b>Exceptional item (previous years)</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>
<b>Net movement in Funds</b>	<b>11,798</b>	<b>(26,926)</b>	<b>(15,128)</b>	<b>(44,165)</b>
[ B/Fwd ] <b>FUND BALANCES at 31 March 2021</b>	<b>455,877</b>	<b>778,169</b>	<b>1,234,046</b>	<b>1,278,211</b>
<b>FUND BALANCES AT 31 March 2022</b>	<b>467,675</b>	<b>751,243</b>	<b>1,218,918</b>	<b>1,234,046</b>

\* The notes form part of these financial statements

# SOUTHWICK COMMUNITY ASSOCIATION

## BALANCE SHEET AS AT 31 MARCH 2022

		31 March 2022 £	31 March 2021 £
	<i>Note *</i>		
<b>TANGIBLE FIXED ASSETS</b>	<b>5</b>	<b>789,836</b>	823,803
<b>CURRENT ASSETS</b>			
Debtors	6	17,837	10,060
Stocks		4,178	2,711
Short-term deposits		233,779	233,662
Cash at bank and in hand		193,054	167,264
		<b>448,848</b>	413,697
<b>LESS CREDITORS:</b> Amounts falling due within one year	<b>7</b>	<b>-19,766</b>	<b>-3,454</b>
<b>NET CURRENT ASSETS</b>		<b>429,082</b>	410,243
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,218,918</b>	1,234,046
<b>LESS CREDITORS:</b> Amounts falling due after more than one year	<b>8</b>	<b>--</b>	<b>--</b>
<b>TOTAL NET ASSETS</b>		<b>1,218,918</b>	1,234,046
<b>FUNDS</b>			
Unrestricted	9	467,675	455,877
Restricted	9	751,243	778,169
<b>TOTAL FUNDS</b>		<b>1,218,918</b>	1,234,046

\* The notes form part of these financial statements

Approved by the board of Trustees and signed on its behalf by

[ *Malcolm Gough* ] and [ *Robert Ryder* ]

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

**1 Accounting Policies**

**Accounting Convention**

The accounts are prepared under the historical cost convention and in accordance with the Charities Act 2011, the current Statement of Recommended Practice ("Accounting and Reporting by Charities" FRS 102) and with applicable accounting standards.

**Accumulated Funds**

The accumulated funds comprise the following:

**(a) Operating Fund**

This fund is for the general management and operation of the Community Centre, and the day-to-day activities of the Association.

**(b) Development Fund**

This fund is **designated** for income raised (and resources spent) to improve the Community Centre's facilities and equipment, and to develop its future sustainability and place in the community.

**(c) Establishment Fund**

This **restricted** fund embodies the value of improvements carried out to the Community Centre's buildings (which are held on leasehold) and to the Centre's integral fixtures & fittings.

**Fixed Assets**

Fixed assets are recorded at cost or, in the case of fixed assets that have been donated to the Association, at valuation at the time of acquisition, less depreciation.

**Depreciation**

Improvements to the Community Centre's buildings, when they come into use, are amortised over the remaining period of the lease.

Other fixed assets are depreciated on a straight line basis over their useful lives, estimated to be:

Theatre equipment	10 to 20 years
Other equipment & fittings	5 to 15 years
Electronic equipment	3 to 7 years

**Stocks**

Stocks are valued at cost. They comprise consumable items which are used in the day-to-day operation of the Community Centre.

**Income from operation of the Community Centre, grants & fundraising**

These comprise amounts receivable during the year.

**Donations, gifts & legacies**

These comprise amounts received during the year.

**Investment income**

Investment income comprises interest income receivable on short-term deposits.

**Resources expended**

Resources expended are accounted for on an accruals basis.

## SOUTHWICK COMMUNITY ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

#### 2 Charitable Expenditure

Charitable expenditure includes:

	2022	2021
Wages and salaries	93,133	91,861
Depreciation	8,072	8,476

No employee earned £20,000 or more per annum.

No trustee received any remuneration, payments or benefits from the charity, other than refunds of expenses legitimately incurred on behalf of the charity.

The average number of employees (full-time equivalent, analysed by function) was:

	2022	2021
Community services	3.8	3.5
Management and administration	1.5	1.3
Fundraising and publicity	--	--
	5.3	4.8

#### 3 Resources Expended

	Personnel Costs	Depreciation	Other Costs	Total 2022	Total 2021
Front-line operation of the Community Centre	61,002	8,072	58,275	127,349	103,211
Management and administration	32,131	--	6,571	38,702	34,607
	£93,133	£8,072	£64,846	£166,051	£137,818

#### 4 Management and Administration

	2022	2021
Salaries and office costs	38,302	40,835
Audit fees	400	400
	£38,702	£41,235

# SOUTHWICK COMMUNITY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 5 Tangible Fixed Assets

	Leasehold improvements *	Theatre equipment **	Other fittings and equipment **	Total
	£	£	£	£
<b>COST</b>				
As at 1 April 2021	1,236,164	122,818	77,023	1,436,005
<b>ADDITIONS</b>	<b>1,968</b>	<b>0</b>	<b>1,031</b>	<b>2,999</b>
<b>As at 31 March 2022</b>	<b>1,238,132</b>	<b>122,818</b>	<b>78,054</b>	<b>1,439,004</b>
<b>ACCUMULATED DEPRECIATION</b>				
As at 1 April 2021	457,995	97,238	56,969	612,202
<b>CHARGE FOR YEAR</b>	<b>28,894</b>	<b>2,586</b>	<b>5,486</b>	<b>36,966</b>
<b>As at 31 March 2022</b>	<b>486,889</b>	<b>99,824</b>	<b>62,455</b>	<b>649,168</b>
<b>NET BOOK VALUE</b>				
As at 31 March 2021	778,169	25,580	20,054	823,803
<b>As at 31 March 2022</b>	<b>751,243</b>	<b>22,994</b>	<b>15,599</b>	<b>789,836</b>

All of the tangible fixed assets of the Association are used in the furtherance of its objects.

\* The value of leasehold improvement assets is included in the Establishment Fund (Restricted).

\*\* The value of all other tangible fixed assets is included in the Development Fund (Unrestricted).

### 6 Debtors

	2022	2021
Trade debtors	14,684	7,061
Prepayments	3,153	2,999
	<b>£17,837</b>	<b>£10,060</b>

# SOUTHWICK COMMUNITY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 7 Creditors (amounts falling due within one year)

	2022	2021
Trade creditors	2,857	2,693
Accruals	12,895	504
Other creditors	4,014	257
Loans	--	--
	<u>£19,766</u>	<u>£3,454</u>

### 8 Creditors (amounts falling due after more than one year)

	2022	2021
Within two to five years	£0	£0

### 9 Restricted & Unrestricted Funds

	Balance at 1 April 2021	Movement in resources			Balance at 31 March 2022
		Incoming	Outgoing	Fund transfers	
<b>UNRESTRICTED funds</b>					
Operating Fund	235,613	174,186	-157,979	-153,820	98,000
Development Fund	220,264	10,032	-12,473	151,852	369,675
	<u>455,877</u>	<u>184,218</u>	<u>-170,452</u>	<u>-1,968</u>	<u>467,675</u>
<b>RESTRICTED funds</b>					
Establishment Fund	778,169	0	-28,894	1,968	751,243
	<u>£1,234,046</u>	<u>£184,218</u>	<u>-£199,346</u>	<u>0</u>	<u>£1,218,918</u>

The reserve of **UNRESTRICTED** funds represents:

- in the **Operating Fund**  
the general everyday income and expenditure involved in the operation of the Community Centre.
- in the **Development Fund**  
the resources designated to improve the Community Centre's facilities and equipment;  
and to develop the Centre's future sustainability and place in the community.

The **RESTRICTED** funds of the Association represent:

- in the **Establishment Fund**  
the book value of improvements carried out to the Community Centre's buildings, and to its integral fixtures and fittings.  
  
The Association carried out a major building project (1996-98) with the help of specific grants from public bodies and donations from other contributors. To a considerable extent the Establishment Fund still comprises the value of the fixed assets created by that project. But other significant improvements to the Centre's buildings, fixtures and fittings have been carried out since - and all of those leasehold assets are also incorporated in the Establishment Fund.

## SOUTHWICK COMMUNITY ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

#### 10 Grants

In the course of the financial year, the Association received exceptional grant support from government emergency funds. Income from the two relevant sources of emergency grants were as follows:

	£
<b>Coronavirus Job Retention Scheme</b> (CJRS "furlough" grant scheme)	18,258
<b>Local Restrictions Support Grant</b> ("business closure" grant scheme)	6,000
	<hr/>
	24,258
	<hr/>