

SOUTHWICK COMMUNITY ASSOCIATION



REPORT OF THE TRUSTEES

AND

FINANCIAL STATEMENTS

FOR THE

YEAR ENDED 31 MARCH 2024

SOUTHWICK COMMUNITY ASSOCIATION

REPORT AND STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

CONTENTS

	<i>Page</i>
General Information	3
Trustees' Report	4 - 7
Independent Examiner's Report	8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11 - 14

SOUTHWICK COMMUNITY ASSOCIATION

REPORT & ACCOUNTS for the year ended 31 March 2024

General Information

(current at date of this report)

Trustees

Malcolm Gough	<i>(Chairman)</i>
David Comber	<i>(Vice-Chairman) *</i>
Tony Brownings	<i>(Hon Secretary)</i>
Bob Ryder	<i>(Hon Treasurer) **</i>
Simon Armes	
Robina Bayne	
Maureen Cripps	
Yvonne Fair	
John Garland	
Martin Oakley	
Raymond Richards	
Philip Simons	
Richard Woolgar	

*** and acting President*

** and acting Vice-President*

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 2024

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 2023-24

Malcolm Gough	(Chairman)
David Comber	(Vice-Chairman)
Tony Brownings	(Hon Secretary)
Bob Ryder	(Hon Treasurer)
Simon Armes	
Maureen Cripps	
Angus Dunn	
Yvonne Fair	
John Garland	
Martin Oakley	
Raymond Richards	
Philip Simons	
Richard Woolgar	

The Trustees herewith present their report, together with the financial statements of the Association, for the financial year beginning on 1 April 2023 and ending on 31 March 2024.

Charitable purposes & public benefit

The Association works with public authorities, and with 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 the neighbouring communities.

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 summary of the year

Demand for our rooms and other facilities continued to grow during the year, back to the levels experienced in 2019-20 (i.e. before the impacts of the Covid pandemic). Against this more secure background of operating income, the Association took bigger steps this year in capital spending to improve and upgrade the Centre's facilities (three times higher than the average spend over the previous four years). Also this year we made good progress in discussions with our freeholder, Adur District Council, about future improvements to the fabric of existing buildings. A project is now well advanced to replace two large ranges of windows - one fronting the 1960s Café wing and the other fronting a large all-purpose room in the north wing (converted from an old farm building in the early 1950s). Subject to the necessary approvals, these renovations should begin in 2025. Further discussions are under way on upgrading the Rifle Range wing (another conversion of dilapidated farm buildings, done in the late 1940s).

We continued our efforts to widen the reach of the Community Centre, aiming to stimulate new activities and social opportunities for local people. These include, for example, a range of low-cost courses and lectures; "tea and company" afternoons; and supported sessions for people with dementia. We have also engaged a number of local businesses to support the Centre in practical ways. For example, helping us to redecorate Centre rooms; and to build raised vegetable-beds in the Centre garden (now supplying fresh produce to the Centre Café).

These are positive developments, but, as flagged up in last year's report, there is an awkward challenge in the running of our busy modern-day community centre when its governance is reliant on a model of affiliated 'clubs' and 'societies' - a model that has unfortunately been in a long-running and now serious decline. (This year, sadly, our traditional Individual Members Section had to dissolve, while the overall number of affiliated clubs also dropped still further.)

The Board of Trustees has therefore resolved to work towards the new status of Charitable Incorporated Organisation (CIO) - replacing the currently constituted "unincorporated association". This would enable a wider and more open form of membership and governance, as well as modernising the powers and the practical administration of the charity. The Trustees agreed that the process of change be pursued as soon as practicable, with an aspiration to achieve CIO status in the course of 2025.

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, achieved a surplus of £29,000 for the year.

- **Income** (at £333,000) was £67,000 higher than in the previous year (up 25%).
- **Expenditure** on running costs (£304,000) was £54,000 higher than in the previous year (up 24%).

Our Development Fund, designated for improvement and development of the Centre's facilities, equipment and community activities, also had a good year - with a surplus of £16,000. The biggest element was the annual Beer Festival. But other significant contributions came from a new two-day music festival, together with a series of fundraising concerts hosted in the Barn Theatre. And donations, legacies and Gift Aid contributed nearly £3,000.

Our capital expenditure this year was substantially higher than the long-term average. We invested £43,000 in the improvement and renewal of facilities and equipment.

- By far the largest item was £27,000 on upgrades to the kitchen and café. Most of that was for oven replacements and for extraction and ventilation to meet modern standards.
- We spent £11,000 on improved equipment for the Barn hall - completing the upgrade of the sound system; renewing lamps for theatre and other events; and upgrading the stock of chairs.
- Across the rest of the Centre, we spent a total of £6,000 on minor improvements to fixtures and fittings - signage, counters, flooring, fire safety, and hand-dryers for washrooms.

Overall, the Association was in a similar financial position at the end of the financial year, compared with the previous year. Net current assets increased slightly (2½%) in cash terms.

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. 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 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 November 2024

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 2024, which are set out on pages 9 to 14 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 November 2024

SOUTHWICK COMMUNITY ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2024

	Unrestricted Funds	Restricted Funds	TOTAL FUNDS 2024	Total Funds 2023
INCOME AND EXPENDITURE	£	£	£	£
<i>Notes *</i>				
INCOMING RESOURCES				
Charitable activities				
Operation of the community centre	333,365		333,365	266,173
Other activities to generate funds				
Community events & fundraising	46,056		46,056	19,268
Donations, gifts and legacies	2,784		2,784	6,279
Grants	1,000		1,000	5,743
Interest from deposit accounts	3,297		3,297	943
TOTAL incoming resources	386,502	0	386,502	298,406
EXPENDED RESOURCES				
1. Cost of generating funds				
Community events & fundraising	26,568	0	26,568	13,356
<i>NET incoming resources available for charitable application</i>	359,934	0	359,934	285,050
2. Charitable expenditure				
Operating community facilities & services	3 241,133	29,151	270,284	218,665
Management and administration	3 & 4 73,582		73,582	64,422
TOTAL resources expended	341,283	29,151	370,434	296,443
Movement in Funds (2023-24)	45,219	(29,151)	16,068	1,963
Fund Transfers	9 (3,834)	3,834	0	0
Net movement in Funds	41,385	(25,317)	16,068	1,963
[B/Fwd] FUND BALANCES at 31 March 2023	495,951	724,930	1,220,881	1,218,918
FUND BALANCES AT 31 March 2024	537,336	699,613	1,236,949	1,220,881

* The notes form part of these financial statements

SOUTHWICK COMMUNITY ASSOCIATION

BALANCE SHEET AS AT 31 MARCH 2024

		31 March 2024	31 March 2023
	Note *	£	£
TANGIBLE FIXED ASSETS	5	784,788	780,750
CURRENT ASSETS			
Debtors	6	54,657	31,457
Stocks		5,416	4,348
Short-term deposits		238,019	234,722
Cash at bank and in hand		179,890	185,447
		477,982	455,974
LESS CREDITORS: Amounts falling due within one year	7	-25,821	-15,843
NET CURRENT ASSETS		452,161	440,131
TOTAL ASSETS LESS CURRENT LIABILITIES		1,236,949	1,220,881
LESS CREDITORS: Amounts falling due after more than one year	8	--	--
TOTAL NET ASSETS		1,236,949	1,220,881
FUNDS			
Unrestricted	9	537,336	495,951
Restricted	9	699,613	724,930
TOTAL FUNDS		1,236,949	1,220,881

* 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 2024**

1 Accounting Policies

Accounting Convention

The accounts are prepared under the historical cost convention and in accordance with 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 2024

2 Charitable Expenditure

Charitable expenditure includes:	2024	2023
Wages and salaries	177,634	140,699
Depreciation	10,424	7,744

No employee earned £30,000 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:

	2024	2023
Community services	4.3	4.3
Management and administration	2.0	1.9
Fundraising and publicity	--	--
	<u>6.3</u>	<u>6.2</u>

3 Resources Expended

	Personnel Costs	Depreciation	Other Costs	Total 2024	Total 2023
Front-line operation of the Community Centre	113,781	10,424	116,928	241,133	189,668
Management and administration	63,853	--	9,729	73,582	64,422
	<u>£177,634</u>	<u>£10,424</u>	<u>£126,657</u>	<u>£314,715</u>	<u>£254,090</u>

4 Management and Administration

	2024	2023
Salaries and office costs	73,182	64,022
Audit fees	400	400
	<u>£73,582</u>	<u>£64,422</u>

SOUTHWICK COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

5 Tangible Fixed Assets

	Leasehold improvements *	Theatre equipment **	Other fittings and equipment **	Total
	£	£	£	£
COST				
As at 1 April 2023	1,240,816	129,574	96,268	1,466,658
ADDITIONS	3,834	9,227	30,552	43,613
As at 31 March 2024	1,244,650	138,801	126,821	1,510,271
ACCUMULATED DEPRECIATION				
As at 1 April 2023	515,886	102,258	67,765	685,909
CHARGE FOR YEAR	29,151	3,352	7,072	39,575
As at 31 March 2024	545,037	105,610	74,837	725,484
NET BOOK VALUE				
As at 1 April 2023	724,930	27,316	28,503	780,749
As at 31 March 2024	699,613	33,191	51,984	784,788

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

	2024	2023
Trade debtors	50,869	28,182
Prepayments	3,788	3,275
	£54,657	£31,457

SOUTHWICK COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

7 Creditors (amounts falling due within one year)

	2024	2023
Trade creditors	6,959	2,116
Accruals	13,281	7,004
Other creditors	5,581	6,723
Loans	--	--
	<u>£25,821</u>	<u>£15,843</u>

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

	2024	2023
Within two to five years	£0	£0

9 Restricted & Unrestricted Funds

	Balance at 1 April 2023	Movement in resources			Balance at 31 March 2024
		Incoming	Outgoing	Fund transfers	
UNRESTRICTED funds					
Operating Fund	117,827	333,365	-304,291	0	146,901
Development Fund	378,124	53,137	-36,992	-3,834	390,435
	<u>495,951</u>	<u>386,502</u>	<u>-341,283</u>	<u>-3,834</u>	<u>537,336</u>
RESTRICTED funds					
Establishment Fund	724,930	0	-29,151	3,834	699,613
	<u>£1,220,881</u>	<u>£386,502</u>	<u>-£370,434</u>	<u>0</u>	<u>£1,236,949</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.