

# **QUARRY BANK COMMUNITY ASSOCIATION**

**FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31<sup>ST</sup> OCTOBER 2020**

**Charity Registration No. 521324**

# QUARRY BANK COMMUNITY ASSOCIATION

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## **QUARRY BANK COMMUNITY ASSOCIATION**

### **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2020**

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The Trustees are pleased to present their annual report for the year ended 31<sup>st</sup> October 2020.

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 and 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 published (FRS 102) (as amended for accounting periods commencing from 1<sup>st</sup> January 2016).

#### **OBJECTIVES AND ACTIVITIES**

The charity promotes education and training to people living in socially deprived wards of Skelmersdale and gives information and guidance. It acts as an umbrella organisation for unincorporated voluntary groups. In addition, the charity operates a work club to assist people to find employment and supports benefit claimants with Job Seekers Allowance and Universal Credit claims. The charity provides open space for use by local communities and also provides low-cost office accommodation for social enterprises. In considering the objectives and activities, the Trustees have considered Charity Commission guidance on Public Benefit to ensure that the Association is meeting its Public Benefit requirements.

#### **ACHIEVEMENTS AND PERFORMANCE**

Due to the pandemic, we have been unable to conduct our normal business because of the restrictions placed upon us by the Government.

#### **Financial Position (Covid-19)**

Because of the pandemic we have been unable to obtain rental income from either our rooms or from the Buffs Community Club. Fortunately, we have been successful in obtaining Business Support grants which have allowed us to manage our costs plus the Governments Job Retention Scheme has allowed us to furlough our staff.

#### **FINANCIAL REVIEW**

Total income for the year was £65,265 (2019: £29,893) of which £19,000 (2019: £nil), related to funding for projects upon which restrictions are placed.

Total expenditure for the year was £38,499 (2019: £36,595), leaving a surplus for the year of £26,766 (2019: deficit £6,702).

At 31<sup>st</sup> October 2020 the charity's reserves stood at £583,338 (2019: £21,572) of which £19,893 (2019: £1,108) represented restricted funds.

#### **RISK MANAGEMENT**

The main risks, to which the charity is exposed, as identified by the Trustees, have been considered and systems have been established to mitigate those risks.

#### **RESERVES POLICY**

It is the policy of the charity to maintain unrestricted funds, which are free reserves at a level to cover redundancy provision and three months' running costs should no further funding be received.

As at the end of the financial year the unrestricted funds totalled £563,445. The charity requires £1,951 for redundancy provision and £9,571 for three months' running costs, (total £11,522).

## **QUARRY BANK COMMUNITY ASSOCIATION**

### **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2020**

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#### **PLANS FOR THE FUTURE**

We continue to explore the possibility of a full modernisation of Quarry Bank House through Lottery funding. As the situation regarding the pandemic and the possibility of further restrictions is unresolved it is extremely difficult to predict what may happen, however we are hopeful that the "Into Employment" project that should have commenced in October 2020 will commence from 4 October 2021.

In addition, we have some groups returning to our premises providing some rental income. In addition, we are seeking funding to improve the raised beds in or allotment which are used by disabled groups we are also seeking funding to replace the heating boilers as our current equipment will not pass inspection for much longer.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Quarry Bank Community Association is a charity whose governing document was adopted on 7<sup>th</sup> August 1969, and registered with the Charity Commission on 24<sup>th</sup> June 1971 (Charity Registration no 521324). The charity operates a community association in Skelmersdale.

The Board of Trustees also forms the Executive Committee which appoints officers who are responsible for the day-to-day running of the community association.

Quarry Bank Community Association is managed by a Management Committee, consisting of Trustees and a number of advisers and staff members. Management Committee meetings are held bi-monthly and agenda items include finance, health & safety and staff reports.

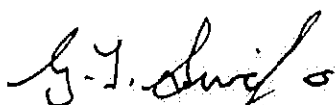
**QUARRY BANK COMMUNITY ASSOCIATION**  
**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2020**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Name</b>	Quarry Bank Community Association
<b>Charity Number</b>	521324
<b>Address</b>	364 Ormskirk Road Skelmersdale Lancashire WN8 9AL
<b>Trustees</b>	During the year members of the Board of Trustees were as follows:  A Harrison D Macnamara G T Swift (Chair)
<b>Independent examiner</b>	Graham Wright B A (Hons), FCA DChA, c/o LCVS, 151 Dale Street, Liverpool, L2 2AH
<b>Bankers</b>	National Westminster Bank Plc Skelmersdale Branch, 15 The Concourse, Skelmersdale, Lancashire, WN8 6LD

**Signed on behalf of the Trustees**



.....  
**G T Swift**  
**Trustee and Chair**

Date: 30.9.21 .....

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF QUARRY BANK COMMUNITY ASSOCIATION

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I report on the accounts of the charity for the year ended 31<sup>st</sup> October 2020 which are set out on pages 5 to 14.

### Respective responsibilities of trustees and 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 Charities Act) and that an independent examination is needed. It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

### Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view, and the report is limited to those matters set out in the statement below.

### Independent examiner's statement

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

(1) 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 Charities Act;
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act

have not been met; or

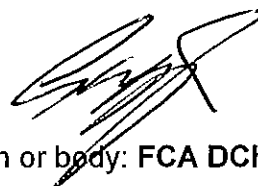
(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Name: **Mr Graham Wright**

Relevant professional qualification or body: **FCA DChA**

Address: **c/o LCVS 151 Dale Street, L2 2AH**

Dated: ..... **14 October 2021** .



**QUARRY BANK COMMUNITY ASSOCIATION**  
**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2020**

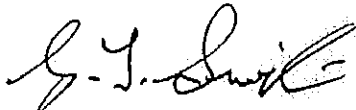
	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
<b>Income and endowments from:</b>					
Charitable activities	2	46,265	19,000	65,265	29,893
<b>Total income</b>		<b>46,265</b>	<b>19,000</b>	<b>65,265</b>	<b>29,893</b>
<b>Expenditure on</b>					
Charitable activities	3	27,584	215	27,799	36,595
<b>Total resources expended</b>		<b>27,584</b>	<b>215</b>	<b>27,799</b>	<b>36,595</b>
<b>Net Income/(expenditure)</b>		<b>18,681</b>	<b>18,785</b>	<b>37,466</b>	<b>(6,702)</b>
Gain on revaluation of fixed assets		535,000	-	535,000	-
<b>Net movement in funds</b>		<b>553,681</b>	<b>18,785</b>	<b>572,466</b>	<b>(6,702)</b>
Total funds brought forward	8, 9	20,464	1,108	21,572	28,274
Total funds carried forward	7- 9	<b>574,145</b>	<b>19,893</b>	<b>594,038</b>	<b>21,572</b>

The notes on pages 7 to 14 form part of these accounts. All the above amounts relate to continuing activities of the charity.

**QUARRY BANK COMMUNITY ASSOCIATION**  
**BALANCE SHEET AS AT 31<sup>ST</sup> OCTOBER 2020**

	Notes	31 <sup>st</sup> October 2020		31 <sup>st</sup> October 2019	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	4		535,476		691
<b>Current assets</b>					
Debtors	5	1,976		1,886	
Cash at bank and in hand		57,697		19,555	
		<u>59,673</u>		<u>21,441</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	6	(1,111)		(560)	
<b>Net current assets</b>			58,562		20,881
<b>Total assets less current liabilities</b>			<u>594,038</u>		<u>21,572</u>
<b>Funds:</b>					
Unrestricted funds	7, 8	574,145		20,464	
Restricted funds	7, 9	19,893		1,108	
		<u>594,038</u>		<u>21,572</u>	

Approved by Trustees on 30-9-21



G T Swift, Trustee and Chair  
30/9/21



D Macnamara, Trustee  
30/9/21



# **QUARRY BANK COMMUNITY ASSOCIATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2020**

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### **1. Accounting Policies**

#### **Basis of accounting**

The accounts have been prepared under the historical cost convention, except for the revaluation of land & buildings, with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (SORP 2015) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) (effective 1<sup>st</sup> January 2015) and Charities Act 2011.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The charity has taken advantage of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

#### **Going concern**

Due to the Covid-19 lockdown, the charity has seen income reduced by 90%. The charity has been fortunate in obtaining a grant which is paying operational costs. Therefore, at the time of approving the accounts, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

#### **Fund accounting**

Unrestricted funds are the charity's free reserves available for the Trustees to apply in accordance with the charities objectives.

Restricted funds are subject to specific restrictive conditions imposed by the donor. All restricted funds are accounted for as restricted income and expenditure for the purposes is charged to the fund.

#### **Income recognition**

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and legacies comprise of donations which are recognised in the accounts when received, with the exception of known legacies which are accounted for when their receipt is certain.

Income from charitable activities is recognised on an accruals basis except for grants receivable, which are recognised on the date on which their unconditional payment is confirmed by the donor.

Other income relates to refund of bank charges and is recognised when the amount is certain.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2020

Capital expenditure is stated in the balance sheet at cost or revaluation less accumulated depreciation. Depreciation is provided to write off the cost of each asset over its expected useful life as below

Land & Building	2% per annum straight line basis
Computer Equipment	20% per annum straight line basis

The gifted assets are measured at fair value. The difference between the fair value and the net book value is credited or charged to the unrestricted reserves as gain or loss on the revaluation of the fixed assets.

## Expenditure recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the Statement of Financial Activities. Support and governance costs are applied to unrestricted funds unless specifically included in the restrictions, as specified by the donor.

Expenditure on charitable activities relate to the operation of the charity comprising of direct charitable expenditure to meet the objectives of the charity. Support and governance costs relate to the management and operation of the organisation and also compliance with constitutional and statutory requirements in producing the annual report. These are dealt with in the Statement of Financial Activities when payment has been approved by the charity.

### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

## Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at

## **QUARRY BANK COMMUNITY ASSOCIATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2020**

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amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the Statement of Financial Activities. Support and governance costs are applied to unrestricted funds unless specifically included in the restrictions, as specified by the donor.

Cost of charitable activities relate to the operation of the charity comprising of direct charitable expenditure to meet the objectives of the charity. Support and governance costs relate to the management and operation of the organisation and also compliance with constitutional and statutory requirements in producing the annual report. These are dealt with in the Statement of Financial Activities when payment has been approved by the charity.

#### **Taxation**

Income and gains are exempt from taxation as they are received and applied for charitable purposes only. The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. The charity is not able to recover Value Added Tax. Expenditure is recorded in the accounts inclusive of VAT.

**QUARRY BANK COMMUNITY ASSOCIATION****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2020****2. Income and endowments from:**

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
<b>Charitable Activities</b>				
Electricity Payments	2,636	-	2,636	5,508
HMRC Job Retention Scheme	4,170	-	4,170	-
Lancashire Covid-19 Community Support Fund	-	10,000	10,000	-
National Lottery Community Fund (Covid Response)	-	9,000	9,000	-
Room Hire	14,459	-	14,459	24,385
West Lancashire Covid 19 Fund	25,000	-	-	-
	<u>46,265</u>	<u>19,000</u>	<u>65,265</u>	<u>29,893</u>
	=====	=====	=====	=====

**3. Expenditure on charitable activities**

	Direct Charitable Expenditure £	Support & Governance Costs £	Total 2020 £	Total 2019 £
To provides open space for use by local communities and also provide low cost office accommodation for social enterprises	13,953	13,846	27,799	36,595
	=====	=====	=====	=====

**QUARRY BANK COMMUNITY ASSOCIATION****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2020****a. Analysed as follows:**

	<b>2020</b>	<b>2019</b>
<i>Direct charitable expenditure:</i>	<b>£</b>	<b>£</b>
Building running costs	10,166	14,611
Insurance	3,680	3,787
Activities	-	83
Refreshments	107	241
Apprentices	-	4,500
	<b>13,953</b>	<b>23,222</b>
	<b>2020</b>	<b>2019</b>
<i>Support &amp; governance costs:</i>	<b>£</b>	<b>£</b>
Staff salary costs	10,995	10,797
Office costs	1,796	1,717
Travel expenses	11	114
Sundry	304	6
Accountancy	525	525
Depreciation	215	214
	<b>13,846</b>	<b>13,373</b>
<b>Total expenditure on charitable activities</b>	<b>27,799</b>	<b>36,595</b>
	<b>=====</b>	<b>=====</b>

£215 (2019: £297) of the above expenditure is restricted expenditure.

<b>b. Staff Costs</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Staff salaries	<b>10,995</b>	<b>10,797</b>
	<b>=====</b>	<b>=====</b>

**c. Particulars of employees:**

Average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	<b>2020</b>	<b>2019</b>
Total number of staff	<b>0.7</b>	<b>0.5</b>
	<b>=====</b>	<b>=====</b>

The Trustees are not remunerated for their services and are not included in the above number of employees.

**QUARRY BANK COMMUNITY ASSOCIATION****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2020****4. Tangible fixed assets**

	Land & Building	Computer Equipment	Total
Cost	£	£	£
As at 1 <sup>st</sup> November 2019	-	1,073	1,073
Revaluation	535,000	-	535,000
Additions during the year	-	-	-
	-----	-----	-----
<b>Balance as at 31<sup>st</sup> October 2020</b>	<b>535,000</b>	<b>1,073</b>	<b>536,073</b>
	=====	=====	=====
<b>Accumulated Depreciation</b>			
As at 1 <sup>st</sup> November 2019	-	382	382
Charge for the year	-	215	215
	-----	-----	-----
<b>Balance as at 31<sup>st</sup> October 2020</b>	<b>-</b>	<b>597</b>	<b>597</b>
	=====	=====	=====
<b>Net Book Value at 31<sup>st</sup> October 2020</b>	<b>535,000</b>	<b>476</b>	<b>535,476</b>
	=====	=====	=====
Net Book Value at 31 <sup>st</sup> October 2019	-	691	691
	=====	=====	=====

**Land & Buildings**

Quarry Bank House was gifted in 1966 to Quarry Bank Community Association at nil value. The property has been included in these accounts at trustees' valuation of £535,000 based on the valuation for insurance purposes provided by the company Guy Penn & Co Ltd on the 31<sup>st</sup> July 2021. The Trustees consider the value at 31<sup>st</sup> of October 2020 not to be materially different to the valuation carried out July 2021.

**5. Debtors**

	2020	2019
	£	£
Prepayments	1,558	1,886
Debtors	418	-
	-----	-----
	<b>1,976</b>	<b>1,886</b>
	=====	=====

**6. Creditors: amounts falling due within one year:**

	2020	2019
	£	£
Accruals	1,050	525
Tax and Social Security	61	35
	-----	-----
	<b>1,111</b>	<b>560</b>
	=====	=====

**QUARRY BANK COMMUNITY ASSOCIATION****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2020****7. Analysis of net assets between funds**

	<b>Tangible fixed assets £</b>	<b>Net current assets £</b>	<b>Total £</b>
<b>Unrestricted Funds</b>			
General Fund	524,300	39,145	563,445
<b>Restricted Funds</b>			
Big Lottery Fund Grant – Awards for All	476	417	893
Lancashire Covid-19 Community Support Fund	-	10,000	10,000
National Lottery Community Fund (Covid Response)	-	9,000	9,000
<b>Totals</b>	<b>524,776</b>	<b>58,562</b>	<b>583,338</b>

**8. Unrestricted Funds**

	<b>Funds at Beginning of year £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Movements in the Year Gain on revaluation of fixed assets</b>	<b>Funds at End of year £</b>
General Fund	20,464	46,265	38,284	535,000	563,445

**General Fund** is used to finance the charity's general activities and core costs as outlined in the Trustees' Report.

**QUARRY BANK COMMUNITY ASSOCIATION****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2020****9. Restricted Funds**

	<u>Movements in the Year</u>			
	<b>Funds at Beginning of year</b>	<b>Income</b>	<b>Expenditure</b>	<b>Funds at End of year</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Big Lottery Fund Grant – Awards for All	1,108	-	215	893
Lancashire Covid-19 Community Support Fund	-	10,000	-	10,000
National Lottery Community Fund (Covid Response)	-	9,000	-	9,000
<b>Totals</b>	<b>1,108</b>	<b>19,000</b>	<b>215</b>	<b>19,893</b>
	=====	=====	=====	=====

These are monies given to the charity to be spent at the discretion of the Board of Trustees for specific charitable purposes, as follows:

**Big Lottery Fund Grant - Awards for All** – Contribution towards garden and office improvement.

**Lancashire Covid- 19 Community Support Fund** – Contribution towards helping people in Skelmersdale find employment.

**National Lottery Community Fund (Covid Response)** – Contribution towards helping unemployed people to improve their skills, find employment prospects, CVS and complete job applications and learn interview techniques.

**10. Guarantees and Other Financial Commitments**

There are no financial commitments under non-cancellable operating leases (2019: £nil).

**11. Related Parties**

There were no material related party transactions during the year which require disclosure (2019: none).