

QUARRY BANK COMMUNITY ASSOCIATION

**FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST OCTOBER 2022**

Charity Registration No. 521324

CONTENTS

	Page
Trustees' Annual Report	1
Independent Examiner's Report	4
Statement of Financial Activities	5
Balance Sheet	6
Notes to the Financial Statements	7

QUARRY BANK COMMUNITY ASSOCIATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31ST OCTOBER 2022

The Trustees are pleased to present their annual report for the year ended 31st October 2022.

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) (effective 1st January 2019).

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 and subsequent lockdown, we were unable to conduct our normal business because of the restrictions placed upon us by the Government. Since the lifting of the restrictions, we have not been able to conduct normal business due to lack of both cooperation from Job Centre Plus and the fact that jobseekers are no longer required to show proof of job search.

Financial Position (Covid-19)

We have recently lost a long-term rental client due to a poor OFSTED report of the company concerned. Plus, we have lost other group rentals since the Pandemic. We have retained the lease income from the Social Club which we own. In addition, we have a good financial reserve from the business grants obtained during the Pandemic. Furthermore, as the building is not seeing as many clients as in the past to save on fuel costs we are only open on three days per week.

FINANCIAL REVIEW

Total income for the year was £25,254 (2021: £48,232) of which £nil (2021: £Nil), related to funding for projects upon which restrictions are placed.

Total expenditure for the year was £41,574 (2021: £43,592), leaving a deficit for the year of £16,320 (2021: surplus £4,640).

At 31st October 2022 the charity's reserves stood at £582,358 (2021: £598,678) of which £47 (2021: £9,567) represented restricted funds and fixed assets £529,650 (2021: £532,325).

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.

QUARRY BANK COMMUNITY ASSOCIATION

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31ST OCTOBER 2022

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 one months' running costs should no further funding be received.

As at the end of the financial year the unrestricted funds totalled £582,311 including £529,697 of tangible fixed assets the remaining balance of £52,614 is free reserves. The charity requires £2,260 for redundancy provision and £2,671 for one months' running costs, (total £4,931).

The remaining reserves will be used to contribute to the build of the new purpose building.

PLANS FOR THE FUTURE

We are exploring the possibility of selling the property and land and having a purpose-built premises to house refugees for which there is a shortage of supply in West Lancashire and for which there is a good payback.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Quarry Bank Community Association is a charity whose governing document was adopted on 7th August 1969 and registered with the Charity Commission on 24th 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 31ST OCTOBER 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Name	Quarry Bank Community Association
Charity Number	521324
Address	364 Ormskirk Road Skelmersdale Lancashire WN8 9AL
Trustees	During the year members of the Board of Trustees were as follows: A Harrison D Macnamara G T Swift (Chair)
Independent examiner	Paula Sanchez ACCA c/o LCVS, 151 Dale Street, Liverpool, L2 2AH
Bankers	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: 20.03.23.....

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

I report on the accounts of the charity for the year ended 31st October 2022 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:

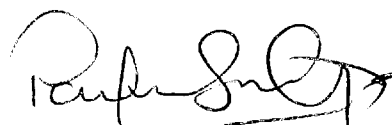
(1) which gives me reasonable cause to believe that in any material respect the requirements:

- 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: **Mrs Paula Sanchez**



Relevant professional qualification or body: **ACCA**

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

Dated: **21st March 2023**

QUARRY BANK COMMUNITY ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST OCTOBER 2022

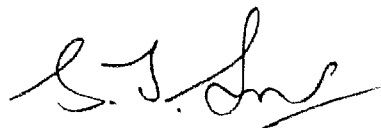
	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income and endowments from:					
Donations and legacies	2a	15	-	15	199
Charitable activities	2b	12,817	-	12,817	33,837
Other trading activities	2c	12,422	-	12,421	14,196
Total income		25,254	-	25,254	48,232
Expenditure on					
Charitable activities	3	32,054	9,520	41,574	43,592
Total resources expended		32,054	9,520	41,574	43,592
Net Income/(expenditure)		(6,800)	(9,520)	(16,320)	4,640
Gain on revaluation of fixed assets		-	-	-	-
Net movement in funds		(6,800)	(9,520)	(16,320)	4,640
Total funds brought forward	8, 9	589,111	9,567	598,678	594,038
Total funds carried forward	7- 9	582,311	47	582,358	598,678

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 31ST OCTOBER 2022

	Notes	31 st October 2022		31 st October 2021	
		£	£	£	£
Fixed assets					
Tangible fixed assets	4		529,697		532,474
Current assets					
Debtors	5	1,772		1,938	
Cash at bank and in hand		52,331		65,028	
		-----		-----	
		54,103		66,966	
Current liabilities					
Creditors: amounts falling due within one year	6	(1,442)		(762)	
		-----		-----	
Net current assets			52,661		66,204
			-----		-----
Total assets less current liabilities			582,358		598,678
			=====		=====
Funds:					
Unrestricted funds	7, 8		582,311		589,111
Restricted funds	7, 9		47		9,567
			-----		-----
			582,358		598,678
			=====		=====

Approved by Trustees on 20.03.2023



G T Swift, Trustee and Chair



D Macnamara, Trustee

QUARRY BANK COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2022

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 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) (effective 1st January 2019).

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 the charity has seen income reduced but was fortunate in obtaining a grant which helped to contribute to the 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.

Fixed assets

Capital expenditure is stated in the balance sheet at cost less accumulated depreciation. Land and building are stated at insurance valuation and reviewed periodically by the trustee. Depreciation is provided to write off the cost of each asset over its expected useful life as below.

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

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 accrual's 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.

QUARRY BANK COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2022

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 accrual's 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 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.

QUARRY BANK COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2022

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 accrual's 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.

2. Income and endowments from:

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
a. Donations and legacies				
Donations	15	-	15	199
	=====	=====	=====	=====

QUARRY BANK COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2022

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
b. Charitable Activities				
HMRC Job Retention Scheme	-	-	-	5,727
Room Hire	9,475	-	9,475	8,040
West Lancashire Covid 19 Business Grant	3,342	-	3,342	14,945
	<u>12,817</u>	<u>-</u>	<u>12,817</u>	<u>33,837</u>
	=====	=====	=====	=====

Income from charitable activities in 2021 comprised £33,837 for unrestricted funds .

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
c. Other trading activities				
Rental income	12,422	-	12,422	14,196
	<u>12,422</u>	<u>-</u>	<u>12,422</u>	<u>14,196</u>
	=====	=====	=====	=====

3. Expenditure on charitable activities

	Direct Charitable Expenditure £	Support & Governance Costs £	Total 2022 £	Total 2021 £
To provides open space for use by local communities and also provide low cost office accommodation for social enterprises	24,865	16,709	41,574	43,592
	<u>24,865</u>	<u>16,709</u>	<u>41,574</u>	<u>43,592</u>
	=====	=====	=====	=====

a) Analysed as follows:

	2022 £	2021 £
<i>Direct charitable expenditure:</i>		
Building running costs	21,534	9,861
Insurance	3,235	4,116
Refreshments	96	47
	<u>24,865</u>	<u>14,024</u>
	=====	=====

QUARRY BANK COMMUNITY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2022

<i>Support & governance costs:</i>	£	£
Staff salary costs	11,017	10,338
Office costs	2,005	1,756
Rental payments	-	13,650
PPE covid protection	-	10
Loss on disposal of tangible fixed asset	-	112
Sundry	200	102
Accountancy	710	710
Depreciation	2,777	2,890
	<hr/>	<hr/>
	16,709	29,568
	<hr/>	<hr/>
Total expenditure on charitable activities	41,574	43,592
	<hr/>	<hr/>

£9,520 (2021: £10,326) of the above expenditure is restricted expenditure.

b) Staff Costs	2022	2021
	£	£
Staff salaries	11,017	10,338
	<hr/>	<hr/>

c) Particulars of employees:

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

	2022	2021
Total number of staff	0.7	0.7
	<hr/>	<hr/>

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 31ST OCTOBER 2022

4. Tangible fixed assets

	Land & Building	Computer Equipment	Total
	£	£	£
Cost or revaluation			
As at 1 st November 2021	535,000	794	535,794
Additions during the year	-	-	-
Disposals during the year	(-)	(-)	(-)
	-----	-----	-----
Balance as at 31st October 2022	535,000	794	535,794
	=====	=====	=====
Accumulated Depreciation			
As at 1 st November 2021	2,675	645	3,320
Charge for the year	2,675	102	2,777
Disposals during the year	(-)	(-)	(-)
	-----	-----	-----
Balance as at 31st October 2022	5,350	747	6,097
	=====	=====	=====
Net Book Value at 31st October 2022	529,650	47	529,697
	=====	=====	=====
Net Book Value at 31 st October 2021	532,325	149	532,474
	=====	=====	=====

Quarry Bank House land and building 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 insurance valuation provided by the company Guy Penn & Co Ltd on the on the 31st July 2021.

5. Debtors

	2022	2021
	£	£
Prepayments	1,772	1,871
Debtors	-	67
	-----	-----
	1,772	1,938
	=====	=====

6. Creditors: amounts falling due within one year:

	2022	2021
	£	£
Accruals	1,420	710
Tax and Social Security	22	52
	-----	-----
	1,422	762
	=====	=====

QUARRY BANK COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2022

7. Analysis of net assets between funds

2022	Tangible fixed assets	Net current assets	Total
	£	£	£
Unrestricted Funds			
General Fund	529,650	52,661	582,311
Restricted Funds			
Big Lottery Fund Grant – Awards for All	47	-	47
Totals	529,697	52,661	582,358
	=====	=====	=====
2021	Tangible fixed assets	Net current assets	Total
	£	£	£
Unrestricted Funds			
General Fund	532,325	56,786	589,111
Restricted Funds			
Big Lottery Fund Grant – Awards for All	149	418	567
National Lottery Community Fund (Covid Response)	-	9,000	9,000
	149	9,418	9,567
Totals	532,474	66,204	598,678
	=====	=====	=====

8. Unrestricted Funds

2022	Funds at Beginning of year	Income	Expenditure	Gain on revaluation of fixed	Funds at End of year
	£	£	£	£	£
General Fund	589,111	25,254	(32,054)	-	582,311
	=====	=====	=====	=====	=====
2021	Funds at Beginning of year	Income	Expenditure	Gain on revaluation of fixed	Funds at End of year
	£	£	£	£	£
General Fund	574,145	48,232	(33,266)	-	589,111
	=====	=====	=====	=====	=====

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 31ST OCTOBER 2022

9. Restricted Funds

2022	Funds at Beginning of year £	Income £	Expenditure £	Funds at End of year £
Big Lottery Fund Grant – Awards for All	567	=	(520)	47
National Lottery Community Fund (Covid Response)	9,000	-	(9,000)	-
Totals	9,567	-	(9,520)	47
	=====	=====	=====	=====

2021	Funds at Beginning of year £	Income £	Expenditure £	Funds at End of year £
Big Lottery Fund Grant – Awards for All	893	=	(326)	567
Lancashire Covid-19 Community Support Fund	10,000	-	(10,000)	-
National Lottery Community Fund (Covid Response)	9,000	-	(-)	9,000
Totals	19,893	-	(10,326)	9,567
	=====	=====	=====	=====

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 during the year (2021: £nil).

11. Related Parties

There were no material related party transactions during the year which require disclosure (2021: none).