

SOUTHWICK COMMUNITY ASSOCIATION



REPORT OF THE TRUSTEES

AND

FINANCIAL STATEMENTS

FOR THE

YEAR ENDED 31 MARCH 2017

SOUTHWICK COMMUNITY ASSOCIATION

INDEX TO THE REPORT AND STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

| | Page |
|--|----------------|
| General Information | 3 |
| Trustees' Report | 4 - 8 |
| Independent Examiner's Report | 9 |
| Statement of Financial Activities | 10 |
| Balance Sheet | 11 |
| Notes to the Financial Statements | 12 - 15 |

SOUTHWICK COMMUNITY ASSOCIATION

REPORT & ACCOUNTS for the year ended 31 March 2017

General Information

| | | |
|-----------------|------------------|-------------------------------------|
| Trustees | Bob Ryder | <i>(Chairman and Hon Treasurer)</i> |
| | David Comber | <i>(Hon Secretary)</i> |
| | Malcolm Gough | <i>(Vice-Chairman)</i> |
| | Maxine Coomber | <i>(President)</i> |
| | Michael Coomber | <i>(Vice-President)</i> |
| | Simon Armes | |
| | Ian Churchill | |
| | Angus Dunn | |
| | Philip Evans | |
| | Mark Flower | |
| | John Garland | |
| | Tony Green | |
| | Janet Mockridge | |
| | Don Murrell | |
| | 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
Bank House
Southwick Square
Southwick
West Sussex BN42 4FH

SOUTHWICK COMMUNITY ASSOCIATION

Southwick Community Association is an unincorporated association, founded under a constitution originally adopted in January 1945 (as most recently amended in June 2012). The Association is 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 2017

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 2016-17

| | |
|------------------|-------------------------------------|
| Bob Ryder | <i>(Chairman and Hon Treasurer)</i> |
| David Comber | <i>(Hon Secretary)</i> |
| Malcolm Gough | <i>(Vice-Chairman)</i> |
| Maxine Coomber | <i>(President)</i> |
| Michael Coomber | <i>(Vice-President)</i> |
| Simon Armes | |
| Ian Churchill | |
| Angus Dunn | |
| Philip Evans | |
| Mark Flower | |
| John Garland | |
| Tony Green | |
| Janet Mockridge | |
| Don Murrell | |
| Martin Oakley | |
| Raymond Richards | |
| Philip Simons | |

The Trustees herewith present their report, together with the audited financial statements of the Association, for the financial year beginning on 1 April 2016 and ending on 31 March 2017.

Charitable purposes & public benefit

Southwick Community 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 neighbourhood.

In fulfilment of these charitable objectives, the Association runs and maintains a flourishing community centre in Southwick. The Centre and its facilities are an active focus for the local community, with a wide range of events, activities and participating organisations. The Association has a continuous programme for renewing, developing and improving the Centre's facilities for the benefit of local people.

The Trustees pay full regard to the Charity Commission's guidance on public benefit: they apply it in their general overview of the Association's affairs and have done so directly in relevant areas of decision-making during the year.

A detailed account of the activities and workings of the Community Centre, along with information about its facilities, management and history, can be found on the Association's website, www.southwickcommunitycentre.org.uk. The website also includes a detailed report of the activity and developments at the Centre during the year, as presented to the AGM in June 2017, <http://www.southwickcommunitycentre.org.uk/scaannualreport201617.pdf>.

Overview of the year's activities

Improvements to the community buildings and facilities

A number of small but very useful improvements were made during the year: these are described below (p.6) in the section on 'capital expenditure'.

However, the major achievement during the year was in finally achieving full planning and listed building consent for the first stage of our plans to lift the external appearance of the site. This stage involves creating a new entrance area to the main foyer, a much-widened gateway to the large memorial garden inside the grounds, new signage on the main street-front, and the first phase of landscaping improvements. These works will make the Community Centre more visible and noticeable to the public; more appealing, more attractive and more welcoming.

The Trustees see this as a key investment for the long-term future of the Centre, as well as a boost for the quality of the conservation area and streetscape. It is a key part of our business plan for strengthening the Association's longer-term prospects, described further below (p.7).

Activities happening at the Community Centre

As noted in last year's report, the pattern of use which the community makes of the Centre has been slowly changing over the last two generations, with some of the more traditional 'membership societies' less able to flourish in today's social scene than in the early post-war

years when the facilities were first taking shape. We continue to work with new trends in demand for community-based activity, in particular:

- activities in the fields of fitness, leisure and well-being, with an emphasis on 'participation' and self-development.
- activities which promote forms of social development and support - for example, education and training courses with a strong social dimension.
- activities coordinated by public bodies and social enterprises across a whole range of health and social welfare issues.

Financial overview of the year

All of the Association's current assets and liabilities relate to delivery of its charitable aims and objectives. The Association's direct expenses in providing charitable services are the personnel and other costs involved in running the Community Centre and in making its facilities available for community activities. The management and administration expenses are mainly personnel costs. The Association determines 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.10 below) produced a surplus of £27,600 for the year.

- **Income** (at £204,000) was up by £8,000 (4%) from the previous year. The largest item was income from the hire of facilities (£147,000) which was up by £5,000 (3%).
- **Expenditure** on running costs (£176,000) was kept close to the previous year's level (up by just 0.5%). Notably, this was the first full year of savings in our bills for electricity and telecoms as a direct result of investments made in more efficient lighting and IT systems.

Our Development Fund, for improvements to the Centre's facilities and equipment (p.10 below) also performed well. On the income side, there was a net surplus of £9,500 from community events. We are extremely grateful for the efforts put into the annual Beer Festival and the Christmas Fair - the work of the many keen volunteers who plan and carry out these big events, ably supported by the Centre's office and premises team.

Our capital expenditure for the year was fairly modest, at £13,500 (see 'additions' on p.14 below). Most of this (£10,500) was invested in building improvements, the biggest single item being the full refurbishment of a large multi-purpose room built in the 1970s and much in need of the upgrade it has now received. About £2,000 was spent on new and replacement kitchen equipment, and £1,000 on improvements to the "assisted hearing" (audio loop) system in the main Barn hall, which has made a big difference for theatre audiences and people attending conferences and public events.

Our overall financial position improved over the year, as indicated by the £37,000 increase in our net current assets (p.11 below).

Securing the longer-term future of the Community Centre

Over the last couple of years, the Association's Trustees have given a lot of thought to planning for the long-term future of the community centre, looking ahead over a generation or more. There are three significant initiatives now being rolled out.

- 1. A set of improvements to the outside of the Centre**, beginning with our wide 100-yard main frontage on Southwick Street (see p.5 above). The appearance of the site will be lifted, with the garden a much more visible part of the picture, and the whole complex of buildings and public spaces will be more clearly seen as being one single large place.
- 2. A charitable trading subsidiary.** The trading company was formally set up in late 2016, so we are now empowered to expand the range of economic activities which can support the Association as a charity. The physical improvements to the quality and visibility of the site will support this planned expansion of charitable trading activity.

In these initiatives to build for the future, the Trustees have been very conscious of the benefits of building on the Association's past. The history of the organisation, together with the history of the site we occupy, makes for a unique combination. Our organisation was a pioneer of the community association movement nationally, starting back in 1945. And our large site has its own rich story as the surviving hub of the old manorial farm, whose surrounding fields have all now been absorbed by the urban development of Southwick over the last hundred years.

So the third main step in our strategy is to raise awareness of the Centre's unique past and to get people interested and engaged in it. We see this as a valuable way of getting people involved in the present-day of the community centre and in supporting its role in the future.

- 3. A heritage project** is being launched to bring together the records, archives and photos of our history, and the memories of local people about the old site and the growth of the new community centre. The material will be carefully organised and made more accessible. It will be actively used to spread awareness of the heritage value of the historic site and our charity's own long history in the community.

The Association's funds and the policy on reserves

The financial statements (p.10-15 below) set out the assets and liabilities of our funds.

The **Operating Fund** ('unrestricted') is maintained at a level to ensure there are adequate resources for coping with unexpected pressures and any short-term deficits in the day-to-day running of the Community Centre.

The **Development Fund** ('restricted') represents:

- **tangible fixed assets**, a high proportion of which were created by capital grants received in prior years to carry out major development and improvement of the Community Centre and its facilities;
- **the net proceeds of fundraising**, mainly from community and social events, designated for ongoing improvements to the Community Centre and for the renewal and upgrading of its facilities and equipment.

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 then apply them consistently;
- make judgements and estimates which 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); and
- prepare the financial statements on a "going-concern" basis (unless it is inappropriate to presume that the Association will continue in operation).

The Trustees are also responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Association, and which enable them both to ascertain the financial position of the Association and to ensure that the financial statements comply with the Charities Act 1993.

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.

On behalf of the Trustees: [*David Comber*] and [*Robert Ryder*]

Dated: 3 December 2017

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 2017 which are set out on pages 10 to 15 below.

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 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

It is my responsibility to:

1. examine the accounts (under section 43(3)(a) of the 1993 Act);
2. to follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 43(7)(b) of the 1993 Act);
3. 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:

1. which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with s41 of the 1993 Act; and
 - to prepare accounts which accord with the accounting records and to comply with the requirements of the 1993 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.

[***Malcolm Wood***]

Fellow of the Institute of Chartered Accountants in England and Wales

Dated: 3 December 2017

SOUTHWICK COMMUNITY ASSOCIATION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2017**

| | Unrestricted Funds | Restricted Funds | Total Funds 2017 | Total Funds 2016 |
|--|-------------------------------|-----------------------------|---------------------------------|---------------------------------|
| | £ | £ | £ | £ |
| INCOME AND EXPENDITURE | | | | |
| INCOMING RESOURCES | | | | |
| Charitable activities | | | | |
| Operation of community centre | 203,905 | - | 203,905 | 196,128 |
| Other activities to generate funds | | | | |
| Community events & fundraising | - | 22,284 | 22,284 | 17,719 |
| Donations, gifts and legacies | - | 560 | 560 | 13,342 |
| Grants | - | 0 | 0 | 1,650 |
| Investment income interest | - | 1,407 | 1,407 | 788 |
| Total incoming resources | 203,905 | 24,251 | 228,156 | 229,627 |
| RESOURCES EXPENDED | | | | |
| Cost of generating funds | | | | |
| Community events & fundraising | - | 12,600 | 12,600 | 10,612 |
| Net incoming resources available for charitable application | 203,905 | 11,651 | 215,556 | 219,015 |
| Charitable expenditure | | | | |
| Cost of operation of community centre | 4 | 139,194 | 23,169 | 159,440 |
| Management and administration | 3 & 4 | 37,063 | 37,063 | 38,575 |
| Total charitable resources expended | 176,257 | 23,169 | 199,426 | 198,015 |
| Net movement in funds | 27,648 | (11,518) | 16,130 | 21,000 |
| FUND BALANCES AT 31 MARCH 2016 | 102,951 | 1,036,570 | 1,139,521 | 1,118,521 |
| FUND BALANCES AT 31 MARCH 2017 | 130,599 | 1,025,052 | 1,155,651 | 1,139,521 |

* The notes form part of these financial statements

SOUTHWICK COMMUNITY ASSOCIATION

BALANCE SHEET

AS AT 31 MARCH 2017

| | | 31 March 2017 £ | 31 March 2016 £ |
|--|-------------|------------------------|-----------------------|
| | <i>Note</i> | | |
| TANGIBLE FIXED ASSETS | 5 | 782,958 | 803,923 |
| CURRENT ASSETS | | | |
| Debtors | 6 | 23,296 | 19,951 |
| Stocks | | 4,744 | 3,232 |
| Short term deposits | | 288,091 | 286,684 |
| Cash at bank and in hand | | 62,549 | 45,622 |
| | | <hr/> 378,680 | <hr/> 355,489 |
| CREDITORS: Amounts falling due within one year | 7 | 5,987 | 19,891 |
| | | <hr/> 372,693 | <hr/> 335,598 |
| NET CURRENT ASSETS | | <hr/> 372,693 | <hr/> 335,598 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <hr/> 1,155,651 | <hr/> 1,139,521 |
| CREDITORS: Amounts falling due after more than one year | 8 | -- | -- |
| TOTAL NET ASSETS | | <hr/> 1,155,651 | <hr/> 1,139,521 |
| FUNDS | | | |
| Restricted | 9 | 1,025,052 | 1,036,570 |
| Unrestricted | 9 | 130,599 | 102,951 |
| TOTAL FUNDS | | <hr/> 1,155,651 | <hr/> 1,139,521 |

The notes form part of these financial statements

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

[**David Comber**] and [**Robert Ryder**]

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. Accounting Policies

Accounting Convention

The accounts are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in October 2000 ("SORP"), with the Charities Act 1993 and with applicable accounting standards.

Accumulated Funds

The accumulated funds comprise the following:

(a) Operating Fund

This is for the day to day activities of the Association and the management and operation of the Community Centre.

(b) Development Fund

This comprises income raised for, and expenditure on, the improvement and development of the work of the Association and facilities of the Community Centre.

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 leasehold building are amortised over the period of the lease, when the improvements come into use. Other fixed assets are depreciated on a straight line basis over their useful lives which are estimated to be:

| | |
|--------------------------------|----------------|
| Theatre equipment | 10 to 20 years |
| Fixtures, fittings & equipment | 5 to 10 years |
| Electronic | 3 to 7 years |

Stocks

Stocks are valued at cost and comprise consumable items used in the daily operation of the Community Centre.

Income from Operation of Community Centre, Grants & Fund-raising

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 2017

2. Charitable Expenditure

Charitable expenditure includes:

| | <u>2017</u> | <u>2016</u> |
|--------------------|-------------|-------------|
| Depreciation | 11,283 | 10,485 |
| Wages and salaries | 61,215 | 57,123 |

No employee earned £40,000 or more per annum. No amounts for remuneration or reimbursement of expenses were paid or payable to a trustee or connected person.

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

| | <u>2017</u> | <u>2016</u> |
|-------------------------------|-------------|-------------|
| Community services | 3.8 | 3.6 |
| Management and administration | 1.7 | 1.7 |
| Fund-raising and publicity | -- | -- |
| | <u>5.5</u> | <u>5.3</u> |

3. Management and Administration

| | Unrestricted Funds | Restricted Funds | Total Funds 2017 | Total Funds 2016 |
|---------------------------|--------------------|------------------|------------------|------------------|
| Salaries and office costs | 36,663 | -- | 36,663 | 38,175 |
| Audit fees | 400 | -- | 400 | 400 |
| | <u>£37,063</u> | <u>£0</u> | <u>£37,063</u> | <u>£38,575</u> |

4. Total Resources Expended

| | Personnel Costs | Depreciation | Other Costs | Total 2017 | Total 2016 |
|--|-----------------|----------------|----------------|-----------------|-----------------|
| Front-line operation of the Community Centre | 61,215 | 11,283 | 66,696 | 139,194 | 136,592 |
| Management and administration | 32,349 | -- | 4,714 | 37,063 | 38,575 |
| | <u>£93,564</u> | <u>£11,283</u> | <u>£71,410</u> | <u>£176,257</u> | <u>£175,167</u> |

SOUTHWICK COMMUNITY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

5. TANGIBLE FIXED ASSETS

| | Leasehold Improvements | Theatre Equipment | Fixtures, Fittings & Equipment | Total |
|--------------------------------------|---------------------------|-----------------------|--------------------------------------|-------------------------|
| | £ | £ | £ | £ |
| COST | | | | |
| As at 1 April 2016 | 1,055,679 | 162,454 | 99,107 | 1,317,240 |
| (Less: old assets fully written out) | | (44,705) | (38,297) | (83,002) |
| Additions | 10,589 | 1,031 | 1,868 | 13,488 |
| As at 31 March 2017 | <u>1,066,268</u> | <u>118,780</u> | <u>62,678</u> | <u>1,247,726</u> |
| ACCUMULATED DEPRECIATION | | | | |
| As at 1 April 2016 | 324,552 | 120,227 | 68,539 | 513,318 |
| (Less: old assets fully written out) | | (44,705) | (38,297) | (83,002) |
| Charge for year | 23,169 | 6,180 | 5,103 | 34,452 |
| As at 31 March 2017 | <u>347,721</u> | <u>81,702</u> | <u>35,345</u> | <u>464,768</u> |
| NET BOOK VALUE | | | | |
| As at 31 March 2016 | <u>£731,127</u> | <u>£42,228</u> | <u>£30,567</u> | <u>£803,922</u> |
| As at 31 March 2017 | <u>£718,547</u> | <u>£37,078</u> | <u>£27,333</u> | <u>£782,958</u> |

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

| 6. DEBTORS | <u>2017</u> | <u>2016</u> |
|-------------------|--------------------|--------------------|
| Trade debtors | 19,125 | 13,682 |
| Prepayments | 4,171 | 6,269 |
| Other debtors | -- | -- |
| | <u>£23,296</u> | <u>£19,951</u> |

SOUTHWICK COMMUNITY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

7. CREDITORS (Amounts falling due within one year)

| | <u>2017</u> | <u>2016</u> |
|---------------------------------|---------------|----------------|
| Trade creditors | 388 | 7,514 |
| Accruals | 2,746 | 7,856 |
| Other creditors | 2,853 | 4,521 |
| Loans | -- | -- |
| Social security and other taxes | -- | -- |
| | <u>£5,987</u> | <u>£19,891</u> |

8. CREDITORS (Amounts falling due after more than one year)

| | <u>2017</u> | <u>2016</u> |
|--------------------------|-------------|-------------|
| Within two to five years | <u>£0</u> | <u>£0</u> |

9. RESTRICTED FUNDS AND GENERAL RESERVE

| | <u>Balance at 1 April 2016</u> | <u>Movement in resources</u> | | <u>Balance at 31 March 2017</u> |
|-----------------|------------------------------------|------------------------------|-----------------|-------------------------------------|
| | | <u>Incoming</u> | <u>Outgoing</u> | |
| Restricted | 1,036,570 | 24,251 | 35,769 | 1,025,052 |
| General Reserve | 102,951 | 203,905 | 176,257 | 130,599 |
| | <u>£1,139,521</u> | <u>£228,156</u> | <u>£212,026</u> | <u>£1,155,651</u> |

The General Reserve represents the free funds of the charity which are not designated for particular purposes.

The Restricted fund was established in prior years for the improvement and development of facilities used by the Association. In 1996 the Association was given grant approval from the Arts Council of England to improve and develop the Barn Hall and other areas of the buildings used by the Association. To complete the financing of the work, additional grants and donations were obtained and various fundraising initiatives were undertaken by the Association.