

**SOUTHWICK  
COMMUNITY ASSOCIATION**



**REPORT OF THE TRUSTEES**

AND

**FINANCIAL STATEMENTS**

FOR THE

**YEAR ENDED 31 MARCH 2021**

# **SOUTHWICK COMMUNITY ASSOCIATION**

## **REPORT AND STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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# SOUTHWICK COMMUNITY ASSOCIATION

## REPORT & ACCOUNTS for the year ended 31 March 2021

### General Information

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

**Registered Charity No.** 305370

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

**Independent Examiner** Malcolm Wood FCA

**Bankers** Barclays Bank plc  
Bank House  
Southwick Square  
Southwick  
West Sussex BN42 4FH

## 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 2021

*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.  
In the exceptional circumstances of 2020-21, when it was not possible to convene an AGM, the Trustees elected in 2019 continued in position - as authorised by the constitution.*

#### **The Board of Trustees serving in 2020-21**

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

The Trustees herewith present their report, together with the financial statements of the Association, for the financial year beginning on 1 April 2020 and ending on 31 March 2021.

## Charitable purposes & public benefit

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

In fulfilment of its charitable objectives, the Association runs a large community centre in Southwick, West Sussex. The Centre and its facilities are an important focus for the local community, with a wide range of events, activities and participating organisations. The Association strives to keep a continuous programme of renewing, developing and improving the Centre's facilities 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 - no less in this year of exceptional social and economic challenge - we have continued to do so in our decision making during the year.

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

## Overview of the year's activities

### **The predominant challenge - the impact of the Covid pandemic**

Even at the very start of the financial year, in April 2020, it was clear that the Association would be facing a major threat to its existence. The Community Centre was already effectively closed for business and most of its usual operating income had dried up. All the early indications were that the crisis would be long-running - and indeed, that turned out to be the case.

The Trustees had already agreed a set of emergency arrangements for managing the crisis facing our charity. In March 2020 the four 'executive' trustee officers were delegated to take urgent actions needed, but with effective remote reporting and approval procedures put in place, so that the Board of Trustees could remain well informed - and properly involved in - the essential management of the Association's affairs.

More than half the costs of operating the Community Centre are staffing costs. Over many years, these have been in the range of 55-60% of our total operating costs. Potentially, the closure of the Centre could have quickly led to job losses across much of our (essentially part-time) workforce. However, the early intervention of a government "job retention" support scheme was extremely helpful. The "furlough grant" scheme enabled the Association to keep most of our experienced staff on the payroll, which meant there would be a better chance of rebuilding the work of the Community Centre once we were finally in a position to re-open to the public. We were concerned that the initial time-span of the scheme would be too short to achieve that benefit, but the two extensions subsequently made to the scheme raised our confidence.

From the outset of the crisis, we were able to salvage a small proportion of our income - from 'rental' uses of the Centre - such as users' storage spaces, community theatre workshops and office spaces. And we were gradually able to allow certain educational activities (such as

pre-school education) from mid-2020, as some national relaxations were introduced. But at several points after that, we were very frustrated that the “stop-go” nature of government controls made it almost impossible to plan for a steady resumption of our services. It also affected the public’s ability and confidence to make use of our facilities.

By the end of the financial year (in March 2021 and while things were still effectively in “lockdown”) the situation remained bleak. But the Trustees felt more positive that our charity had survived the worst of the threat, and was in a position to start rebuilding its activities when allowed the opportunity to resume.

Nevertheless, the challenge lying ahead - to reach pre-pandemic levels of activity - remains very formidable.

## Financial overview of the year

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

**Our Operating Fund, for the day-to-day running of the Community Centre** (p.9 below) suffered a loss of £9,000 for the year (a £40,000 decline from the previous year).

- **Income** (at £120,000) fell by £104,000 from the previous year (down 46%). Our usual primary income stream, from hire of facilities and café sales, dropped by 80%. Crucially, however, we received government emergency grants of £76,000.
- **Expenditure** on running costs (at £129,000) was £63,000 lower than the previous year (down 33%). The waiver of business rates for the year (£5,000) was helpful. But the main factor in our reduced costs was simply the much reduced day-to-day activity at the Centre during the year.

**Our Development Fund, for improvements to the Centre’s facilities and equipment** (p.9 below) received only £2,000 in income this year, compared with £67,000 in the previous year. Nearly all of this was from donations kindly made by affiliated groups (in lieu of membership fees, which were suspended for the year). It was impossible to hold our usual big fundraising events (principally the annual Beer Festival and Christmas Fair) under the Covid restrictions in force.

**Our capital expenditure** for the year (£25,000) was confined to essential repairs and replacements to building fabric, fittings and equipment. Most of this was for surface drainage works, renewal of electrical circuits and replacement of flooring.

**Our overall financial position** (p.10 below) worsened over the year, with a reduction of £32,000 in our net current assets. However, without the benefit of government support (the grants in respect of “furlough pay” and “business closure”) these assets would have fallen by more than £100,000.

## 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 reserves at a level to ensure adequate resources to cope with unexpected pressures and short-term deficits.
- The **Development Fund** represents the net proceeds of fundraising (mainly from community and social events) and donations.  
These are resources designated for future improvements to the Community Centre and for the renewal and upgrading of its facilities and equipment.
- The **Establishment Fund** expresses the book value of improvements actually carried out to the fabric of our leasehold buildings (the physical embodiment of the Centre).  
These are purely fixed property assets - much of them created with 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 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 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: 23 November 2021

## 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 2021, which are set out on pages 9 to 15 below.

### Respective responsibilities of trustees and independent examiner

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

It is my responsibility to:

1. examine the accounts (under section 145 of the 2011 Act);
2. to follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 145(5)(b) of the 2011 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 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
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* F.C.A. ]

Fellow of the Institute of Chartered Accountants in England and Wales

Dated: 23 November 2021

**SOUTHWICK COMMUNITY ASSOCIATION**

**STATEMENT OF FINANCIAL ACTIVITIES**

FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted Funds	Restricted Funds	TOTAL FUNDS 2021	Total Funds 2020
<b>INCOME AND EXPENDITURE</b>	£	£	£	£
	<i>Note *</i>			
<b>INCOMING RESOURCES</b>				
<b>Charitable activities</b>				
Operation of the community centre	43,979	-	43,979	224,210
<b>Other activities to generate funds</b>				
Community events & fundraising	-	-	0	23,934
Donations, gifts and legacies	1,992	-	1,992	42,733
Grants	76,219	-	76,219	-
Interest from deposit accounts	284	-	284	584
<b>TOTAL incoming resources</b>	<b>122,474</b>	<b>0</b>	<b>122,474</b>	<b>291,461</b>
<b>EXPENDED RESOURCES</b>				
<b>Cost of generating funds</b>				
Community events & fundraising	-	-	0	14,264
NET incoming resources available for charitable application	122,474	0	122,474	277,197
<b>Charitable expenditure</b>				
Operating community facilities & services	103,211	28,821	132,032	187,660
Management and administration	34,607	-	34,607	41,235
<b>TOTAL charitable resources expended</b>	<b>137,818</b>	<b>28,821</b>	<b>166,639</b>	<b>228,895</b>
<b>Movement in funds (2019-20)</b>	<b>(15,344)</b>	<b>(28,821)</b>	<b>(44,165)</b>	48,302
<b>Fund Transfers</b>	<b>(23,471)</b>	23,471	0	0
<b>Exceptional item (previous years)</b>	-	-	0	<b>26,303</b>
<b>Net movement in Funds</b>	<b>(38,815)</b>	<b>(5,350)</b>	<b>(44,165)</b>	74,605
[ B/Fwd ] <b>FUND BALANCES at 31 March 2020</b>	494,692	783,519	1,278,211	1,203,606
<b>FUND BALANCES AT 31 March 2021</b>	<b>455,877</b>	<b>778,169</b>	<b>1,234,046</b>	<b>1,278,211</b>

\* The notes form part of these financial statements

## SOUTHWICK COMMUNITY ASSOCIATION

### BALANCE SHEET AS AT 31 MARCH 2021

	<i>Note</i> *	31 March 2021 £	31 March 2020 £
<b>TANGIBLE FIXED ASSETS</b>	5	<b>823,803</b>	835,701
<b>CURRENT ASSETS</b>			
Debtors	6	10,060	23,407
Stocks	11	2,711	5,156
Short-term deposits		233,662	233,378
Cash at bank and in hand		167,264	189,602
		<u>413,697</u>	<u>451,543</u>
<b>LESS CREDITORS:</b> Amounts falling due within one year	7	<b>(3,454)</b>	<b>(9,033)</b>
<b>NET CURRENT ASSETS</b>		<u>410,243</u>	<u>442,510</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,234,046</u>	<u>1,278,211</u>
<b>LESS CREDITORS:</b> Amounts falling due after more than one year	8	--	--
<b>TOTAL NET ASSETS</b>		<u>1,234,046</u>	<u>1,278,211</u>
<b>FUNDS</b>			
Unrestricted	9	455,877	494,692
Restricted	9	778,169	783,519
<b>TOTAL FUNDS</b>		<u>1,234,046</u>	<u>1,278,211</u>

*\* 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 2021

**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 2021

#### 2 Charitable Expenditure

Charitable expenditure includes:

	<b>2021</b>	<b>2020</b>
Wages and salaries	91,861	106,819
Depreciation	8,476	8,611

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

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

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

	<b>2021</b>	<b>2020</b>
Community services	3.5	3.9
Management and administration	1.3	1.6
Fundraising and publicity	--	--
	<b>4.8</b>	<b>5.5</b>

#### 3 Resources Expended

	<b>Personnel Costs</b>	<b>Depreciation</b>	<b>Other Costs</b>	<b>Total 2021</b>	<b>Total 2020</b>
Front-line operation of the Community Centre	62,058	8,476	32,677	103,211	159,677
Management and administration	29,803	--	4,804	34,607	41,235
	<b>£91,861</b>	<b>£8,476</b>	<b>£37,481</b>	<b>£137,818</b>	<b>£200,912</b>

#### 4 Management and Administration

	<b>2021</b>	<b>2020</b>
Salaries and office costs	34,207	40,835
Audit fees	400	400
	<b>£34,607</b>	<b>£41,235</b>

**SOUTHWICK COMMUNITY ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**5 Tangible Fixed Assets**

	Leasehold improvements *	Theatre equipment **	Other fittings and equipment **	Total
	£	£	£	£
<b>COST</b>				
As at 1 April 2020	1,212,693	122,818	75,095	1,410,606
<b>ADDITIONS</b>	<b>23,471</b>	<b>0</b>	<b>1,928</b>	<b>25,399</b>
<b>As at 31 March 2021</b>	<b>1,236,164</b>	<b>122,818</b>	<b>77,023</b>	<b>1,436,005</b>
<b>ACCUMULATED DEPRECIATION</b>				
As at 1 April 2020	429,174	94,461	51,270	574,905
<b>CHARGE FOR YEAR</b>	<b>28,821</b>	<b>2,777</b>	<b>5,699</b>	<b>37,297</b>
<b>As at 31 March 2021</b>	<b>457,995</b>	<b>97,238</b>	<b>56,969</b>	<b>612,202</b>
<b>NET BOOK VALUE</b>				
As at 31 March 2020	783,519	28,357	23,825	835,701
<b>As at 31 March 2021</b>	<b>778,169</b>	<b>25,580</b>	<b>20,054</b>	<b>823,803</b>

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

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

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

**6 Debtors**

	2021	2020
Trade debtors	7,061	20,473
Prepayments	2,999	2,934
	<b>£10,060</b>	<b>£23,407</b>

## SOUTHWICK COMMUNITY ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

	2021	2020
Trade creditors	2,693	2,588
Accruals	504	248
Other creditors	257	6,198
Loans	--	--
	£3,454	£9,033
	£3,454	£9,033

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

	2021	2020
Within two to five years	£0	£0

#### 9 Restricted & Unrestricted Funds

	Balance at 1 April 2020	<i>Movement in resources</i>			Balance at 31 March 2021
		<i>Incoming</i>	<i>Outgoing</i>	<i>Fund transfers</i>	
<b>UNRESTRICTED funds</b>					
<b>Operating Fund</b>	244,757	120,198	-129,342	0	235,613
<b>Development Fund</b>	249,935	2,276	-8,476	-23,471	220,264
	494,692	122,474	-137,818	-23,471	455,877
<b>RESTRICTED funds</b>					
<b>Establishment Fund</b>	783,519	0	-28,821	23,471	778,169
	£1,278,211	£122,474	-£166,639	0	£1,234,046
	£1,278,211	£122,474	-£166,639	0	£1,234,046

The reserve of **UNRESTRICTED** funds represents:

- in the **Operating Fund**  
the general everyday income and expenditure of 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 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**10 Grants**

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

	<b>£</b>
<b>Coronavirus Job Retention Scheme</b> (CJRS "furlough" grant scheme)	53,934
<b>Local Restrictions Support Grant</b> ("business closure" grant scheme)	22,285
	<hr/>
	76,219
	<hr/> <hr/>

**11 Stocks**

It wasn't possible to carry out our normal itemised stocktaking on 31 March (2021) because once again the Community Centre was closed due to a Covid emergency "lockdown", with all but a skeleton on staff on "furlough". The stock figures in these accounts are therefore a combination of itemised values and best estimates of the position at 31 March 2021. Overall the value of stock fell by nearly half from the previous year, due to wastage of stock becoming out of date and also due to reduced purchasing of new stock during a time of greatly reduced custom at the Community Centre.