

HEXHAM AND TYNEDALE COMMUNITY TRUST
(A company limited by guarantee and not having a share capital)

CHARITY NUMBER 1125705

COMPANY NUMBER 06484983

**TRUSTEES REPORT AND
UNAUDITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 March 2018



Seahouses Accountancy Service
Seahouses Hub
Seahouses
NE68 7YL

HEXHAM AND TYNEDALE COMMUNITY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

NAME OF CHARITY: Hexham and Tynedale Community Trust

INCORPORATION: The Company was incorporated under the Companies Act 1985, in England and Wales on 28 January 2008. Hexham and Tynedale Community Trust charity number 1062288 ceased trading on 31 March 2009 and closed on 23 November 2009 and all assets and liabilities were transferred to the new, incorporated charity, number 1125705 which began to trade on 1 April 2009.

DIRECTORS and TRUSTEES: Mrs A Reed (Chair)
Mr L R Hare (Treasurer)
Mrs K Norman
Ms J Lloyd (resigned 22nd February 2018)
Mr P Tait

COMPANY SECRETARY: Mrs J J Hogg

REGISTERED OFFICE: Hexham Community Centre
Gilesgate
Hexham
Northumberland
NE46 3NP

ACCOUNTANTS: Seahouses Accountancy Service
Seahouses Hub
Seahouses
NE68 7YL

BANKERS: Barclays Bank plc
Hexham
Northumberland

HEXHAM AND TYNEDALE COMMUNITY TRUST

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2018

Introduction

The trustees present their report and the financial statements for the year ended 31 March 2018.

The trustees have prepared the annual report and financial statements in accordance with the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Our Company is governed by our Memorandum & Articles which were adopted on 7 December 2007.

Recruitment and Appointment of Management Committee

The Management committee will be appointed at the Annual General Meeting, by proposal, seconded and a vote. All those in the area of benefit and users of the Community Centre are welcome to attend.

Trustees Induction and Training

New trustees are supplied with a copy of the Charity Trustees Handbook; additionally, they meet with the Chair of the Management Committee and senior staff who will cover:

- The obligations of Management Committee members.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

Risk Management

As part of the Trust's business plan development, an assessment was undertaken as to the risks the Trust is exposed to. The Trust has taken a proactive stance to reduce its overall reliance on external funding and to develop a portfolio of funders to further reduce the impact any one funding stream may incur. A major part of the Trust's partnership working is to keep the organisation abreast of any strategic, political or legal changes that could influence the charity. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the centre. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

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Organisational Structure

The organisation consists of 5 members of a voluntary Executive/Management Committee and 12 paid members of staff as follows:-

Centre Manager	34hrs	Playgroup Manager av 28hrs
Community Officer	33hrs	Playgroup Deputy av 33hrs
Community Officer	13hrs	Playgroup Practitioner x 4
Operations assistants	5hrs	(average 3 sessions per week).
Operations Assistant	17hrs	
Cleaner	21hrs	

Related Parties

The Playgroup is run under the umbrella of Hexham & Tynedale Community Trust, has its own bank account, policies and procedures, is Ofsted registered and has a sub-committee reporting to H&TCT management committee. It has a capacity for 24 children and runs term-time from 9.15am – 12.15pm and Tues/Wed/Thurs until 3pm

OBJECTIVES AND ACTIVITIES

The objects of the Company are to promote any charitable purpose for the benefit of the inhabitants within Hexham and the surrounding district, with provision of facilities in the interests of social welfare for recreation, leisure-time occupation with the object of improving the conditions of life for the said inhabitants.

The Community Centre Pre-school Playgroup, Luncheon Club for the Elderly and Open Arms intergenerational group are run by the Centre for the community. We also provide reasonable cost offices and rooms to hire for a variety of Charitable, Community and voluntary organisations.

ACHIEVEMENTS AND PERFORMANCE

I am extremely grateful to all staff, Trustees, volunteers and clients for all their support and hard work.

We are happy to welcome 4 new high calibre trustees to the board, which will be advantageous to the future running of the Centre. The Playgroup continues to operate at a first-class level of achievement.

We have continued to take actions to stabilise our position and ensure that the community centre is sustainable into the future by controlling and monitoring cash flow and expenditure throughout the year.

The Open Arms Project for socially isolated people continues to grow, even though the Awards for All funding ceased

We continue to facilitate our Luncheon Club with the support of Students and a Tutor from Dilston College.

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We managed to procure Grants to repair the roof and have funding and workmen in hand to carry out the necessary plastering and decorating throughout the summer break.

Our centre is an important hub of community life in Hexham and we have made steps to work more in partnership with other organisations in the town, such as Hexham Community Partnership, No 28 and The Food Bank.

We continue to signpost people to the foodbank and various other organisations in the Centre and throughout the town where appropriate.

As usual we ran our Christmas Day Dinner, this year 50 people attended and again it was a great success, thanks to the efforts of volunteers who cook the meal, pick people up from their homes and provide entertainment and company.

The annual trip was as usual a wonderful occasion and much appreciated by the people who attended.

We are continually looking at ways to help the centre thrive and continue to be the hub of community activity for Hexham and the surrounding areas.

Thanks to all those who have supported us.

FINANCIAL REVIEW

The charity remains grateful for the help and support given by government agencies, charitable trusts and other sources. Results for the year are shown on page 6. The charity generated total income of £150,784 in the year, and a small overall surplus of £190.

Grant Making Policy

The charity rarely gives out grants and as such has no grant making policy.

Investment Policy

The charity holds no investments and as such has no investment policy.

Reserves Policy

The management committee's policy is to establish unrestricted reserves sufficient to cover running costs for several months ahead, and the emphasis is on a continual process of careful financial management and to invest reserves to optimise income wherever possible.

The current level of unrestricted reserves represents approximately 4 months running costs, and therefore research into future means of generating unrestricted reserves will also continue.

Risk Management

As part of the Trust's business plan development, an assessment was undertaken as to the risks the Trust is exposed to. The Trust has taken a proactive stance to reduce its overall reliance on external funding and to develop a portfolio of funders to further reduce the impact

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any one funding stream may incur. A major part of the Trust's partnership working is to keep the organisation abreast of any strategic, political or legal changes that could influence the charity. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the centre. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.


Trustees Responsibilities

Charity law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charity and of its financial activities for that year, together with its assets and liabilities at the end of the period, and adequately distinguish any material special trust or other restricted fund of the charity. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the appropriate SORP on Accounting by Charities and the Accounting Regulations and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the charity, and enable them to ensure that the financial statements comply with applicable Accounting Standards and Statements of Recommended Practice and the regulations made under the Charities Act 2011.

The trustees are also 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  8th November 2018

Ann Reed, Chair, Hexham and Tynedale Community Trust

**INDEPENDENT EXAMINERS REPORT ON THE UNAUDITED FINANCIAL STATEMENTS
TO THE TRUSTEES OF HEXHAM AND TYNEDALE COMMUNITY TRUST.**

I report on the accounts of the Charity for the year ended 31 March 2018 which are set out on pages 6 to 13.

Respective responsibilities of the trustees and the examiner

The trustees, who are also the directors of Hexham and Tynedale Community Trust for the purposes of company law, are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011, the 2011 Act, and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

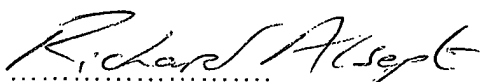
Basis of independent examiner's report

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 those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as a council 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:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records with section 41 of the Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Acthave not been met; or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Richard Alsept
Seahouses Accountancy Service
Seahouses Hub
Seahouses
NE68 7YL

November 2018

HEXHAM AND TYNEDALE COMMUNITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2018	Total Funds 2017
		£	£	£	£
INCOME	3				
Fundraising and donations		1,189	2,035	3,224	4,176
<i>Charitable Activities</i>					
Grants received		-	6,000	6,000	10,590
Trading and other activities		3,937	55,649	59,586	56,279
Rental income		81,930	-	81,930	89,854
Interest received		44	-	44	18
Total Incoming Resources		87,100	63,684	150,784	160,917
EXPENDITURE	4				
Charitable expenditure		91,912	58,682	150,594	145,132
Total Resources Expended		91,912	58,682	150,594	145,132
Net Incoming /(Outgoing) Resources before transfers		(4,812)	5,002	190	15,785
Transfer between funds		3,070	(3,070)	-	-
Net Movement in Funds		(1,742)	1,932	190	15,785
Fund balances at 1 April 2017		38,501	1,031,635	1,070,136	1,054,351
Fund balances at 31 March 2018		36,759	1,033,567	1,070,326	1,070,136

The statement of financial activities includes all gains and losses in the year.

All incoming resources and resources expended derive from continuing activities.

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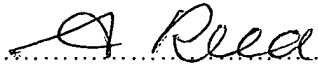
BALANCE SHEET AS AT 31 MARCH 2018

	Notes	TOTAL 2018 £	TOTAL 2017 £
FIXED ASSETS	2	1,017,223	1,019,196
CURRENT ASSETS			
Trade and other debtors	5	2,375	4,475
Cash at bank and in hand		51,978	48,215
		<u>54,353</u>	<u>52,690</u>
CURRENT LIABILITIES			
Amounts falling due within one year:			
Creditors and Accruals	6	1,250	1,750
Taxation and social security	6	-	-
		<u>1,250</u>	<u>1,750</u>
Net Current Assets		53,103	50,940
NET ASSETS		<u>1,070,326</u>	<u>1,070,136</u>
Unrestricted Funds		36,759	38,501
Restricted Funds		1,024,280	1,021,021
Restricted Capital Funds		9,287	10,614
TOTAL FUNDS		<u>1,070,326</u>	<u>1,070,136</u>

For the financial period ended 31 March 2018, the company was entitled to exemption from audit under section 477(1) of the Companies Act 2006; and no notice has been deposited under section 476(1) requesting an audit. The trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the period and of its profit or loss for the financial period in accordance with the requirements of section 394 and which otherwise comply with the Companies Act 2006, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime under the Companies Act 2006 and with the provisions of Financial Reporting Standard 102, Section 1a for Small Entities (effective January 2015).

Approved by the Board on 8th November 2018 and signed on its behalf by:


Ann Reed - Director

1 ACCOUNTING POLICIES

The principle accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

a. Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the provisions of Financial Reporting Standard 102, Section 1a Small Entities, and the Charity Statement of Recommended Practice, (Charities SORP (FRS 102) 2015), as well as the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

b. Fund accounting

Unrestricted funds are incoming resources received or generated for charitable purposes. They are available for use at the discretion of the trustees in the furtherance of the general objectives of the charity.

c. Income

All income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Income is received by way of grants, donations and gifts to the charity and is included in full in the Statement of Financial Activities upon receipt. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Bank interest is included when receivable.

d. Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes unrecoverable VAT.

Operation and development of the charity includes all costs incurred by the charity in the delivery of its activities and services.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include accountancy fees and CRB costs.

1.2. Tangible fixed assets and depreciation

Fixed assets are capitalised, at cost where the purchase price exceeds £500.

Depreciation on fixed assets is provided at rates estimated to write off the cost or re-valued amounts, less estimated residual value, of cash asset over its expected useful life as follows;

Office Equipment	-	10% reducing balance
Centre Fixtures and Fittings	-	10% straight line

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

All assets are reviewed regularly for impairment, and written down to their recoverable value, where necessary. As a result of this review, no depreciation has been charged on the Community Centre building during the year.

The Community Centre is held in an endowment fund representing the value of the building transferred from the charity having been substantially refurbished by the Hexham Town Council through its Community Initiative.

1.3. Grants and donations

Grants and donations are recognised in both the statement of financial activities and the Income and Expenditure account when they are receivable.

The main grants received during the year are shown in note 10

1.4. Pensions

The Project operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

1.5. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

1.6. Trade debtors

Trade debtors are amounts due from funders for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

1.7. Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

2. Fixed Assets

	Community Centre	Canopy	Fixtures & Fittings	Office	Total
	£	£	£	£	£
Cost					
At 1 April 2017	1,000,000	2,800	16,638	21,678	1,041,116
Additions	-	-	-	-	-
As at 31 March 2018	<u>1,000,000</u>	<u>2,800</u>	<u>16,638</u>	<u>21,678</u>	<u>1,041,116</u>
Depreciation					
At 1 April 2017	-	-	3,328	18,592	21,920
Charge for the year	-	-	1,664	309	1,973
As at 31 March 2018	<u>-</u>	<u>-</u>	<u>4,992</u>	<u>18,901</u>	<u>23,893</u>
Net Book Value					
As at 31 March 2018	<u>1,000,000</u>	<u>2,800</u>	<u>11,646</u>	<u>2,777</u>	<u>1,017,223</u>
As at 31 March 2017	<u>1,000,000</u>	<u>2,800</u>	<u>13,310</u>	<u>3,086</u>	<u>1,019,196</u>

HEXHAM AND TYNEDALE COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

3. Income

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
<i>Income</i>				
Donations	300	-	300	-
Fundraising	889	2,035	2,924	4,176
	1,189	2,035	3,224	4,176
<i>Charitable Activities</i>				
<i>Centre</i>				
Grants	-	6,000	6,000	10,590
Photocopying	769	-	769	880
Centre sundries	3,168	-	3,168	1,910
<i>Playgroup</i>				
Playgroup Fees	-	55,649	55,649	53,489
	3,937	61,649	65,586	66,869
<i>Rental income</i>				
Rents	34,692	-	34,692	40,103
Lets	47,238	-	47,238	49,751
	81,930	-	81,930	89,854
<i>Interest receivable</i>				
Bank interest receivable	44	-	44	18
	44	-	44	18
TOTAL	87,100	63,684	150,784	160,917

HEXHAM AND TYNEDALE COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

4. Expenditure

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
<i>Charitable Expenditure</i>				
Staff salaries incl NIC and Pension	49,422	48,521	97,943	91,736
Light and heat	10,664	-	10,664	9,917
Water rates	-	-	-	729
Insurance	3,649	-	3,649	3,256
Repairs, renewals and cleaning	19,773	4,254	24,027	19,885
Telephone and internet	926	-	926	894
Postage and stationary	111	548	659	1,235
Photocopier and equipment rentals	2,442	-	2,442	2,074
IT costs	48	-	48	574
Advertising	289	-	289	26
Refreshments	-	735	735	628
Performing rights, fees and licences	-	-	-	2,386
Travel and excursions	-	-	-	1,500
Centre / Playgroup Expenses	3,192	3,077	6,269	5,139
Miscellaneous	-	220	220	2,396
Bank charges	-	-	-	-
Depreciation	646	1,327	1,973	2,007
	91,162	58,682	149,844	144,382
<i>Governance costs</i>				
Legal & Professional fees	750	-	750	750
	750	-	750	750
TOTAL	91,912	58,682	150,594	145,132

5. Debtors

	2018 £	2017 £
Trade and Other debtors	2,375	4,475
Total	2,375	4,475

HEXHAM AND TYNEDALE COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

6. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors and accruals	1,250	1,750
Tax and social security	-	-
Total	1,250	1,750

7. Staff costs and numbers

During the financial year the company had a maximum of 13 employees (6 Centre and 7 Playgroup) and their remuneration was made up as follows:

	2018 £	2017 £
Salaries	97,285	90,819
Employers NIC		648
Employers pension costs	658	269
Total	97,943	91,736

No employee received emoluments of more than £60,000.

8. Analysis of net assets between funds

	Unrestricted £	Capital £	Restricted £	Total £
Fixed Assets	5,136	9,287	1,002,800	1,017,223
Debtors and creditors	1,125	-	-	1,125
Bank and Cash Balances	30,498	-	21,480	51,978
	36,759	9,287	1,024,280	1,070,326

The capital fund is restricted and represents the SITA grant contribution towards the new boiler installed at the Centre in 2014/2015. The boiler is depreciated over 10 years, starting in the year ended 31 March 2016.

9. Remuneration of management committee

There was no remuneration, or other benefit, paid to the management committee, or people connected with them, in the financial year ended 31 March 2018.

HEXHAM AND TYNEDALE COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

10. Restricted Grants

The following grants were received for restricted funds during the year.

Fund names	Purpose	Fund balances brought forward	Incoming resources	Outgoing resources and transfers	Fund balances carried forward
		£	£	£	£
Hexham Town Council	Salaries	-	2,000	2,000	-
Greenhall Foundation	Property Repairs	-	1,000	1,000	-
Community Chest	Property Repairs	-	1,000	1,000	-
Joicey Trust	Property Repairs	-	2,000	2,000	-
Other small grants		-	-	-	-
Total Funds		-	6,000	6,000	-