

Earley CResCent Community Association

A Charitable Company Limited by Guarantee

Charity Registration No: 1092607

Company Registration No: 4383491

ANNUAL REPORT AND STATEMENT OF FINANCIAL ACTIVITIES

For the period: 1st April 2019 to 31st March 2020

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Earley CResCent Community Association

DIRECTORS ANNUAL REPORT

The Directors present their report for the period 1st April 2019 to 31st March 2020

The Directors have adopted the Statement of Recommended Practice 2015 (FRS 102). As a small charity not subject to statutory audit, the Directors have opted for the lesser reporting requirements permitted under SORP 2015.

As a charitable company, the terms "Directors" and "Trustees" have the same meaning. This Report refers to Directors, but they also act as Trustees.

REFERENCE AND ADMINISTRATIVE DETAILS

Principal Address & Registered Office:

Earley CResCent Community Association
Warbler Drive
Lower Earley
Reading
RG6 4HB

The Charity is also known as the "CResCent Resource Centre".

Charity Registration No: 1092607

Company Registration No: 4383491

Bankers:

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Solicitors:

The Head Partnership
9 Chalfont Court
Lower Earley
Reading
Berkshire
RG6 5SY

Auditor:

Peter Upton Ltd.
PO Box 782
Maidenhead
Berkshire
SL6 1FR

Earley CResCent Community Association

Directors

At the Annual General Meeting held on the 12th November 2018 the following directors retired by rotation and being eligible, offered themselves for re-election. They were duly elected for a term of 3 years: -

Tony Bonnett
Philip Hooper
Martin Smith
Cindy Thompson

Tony Henty was co-opted onto the Board on August 20th, 2019 and offers himself for election and was duly elected for a term of 3 years.

Tim Chambers was nominated as a director at the meeting, and was duly elected for a term of 3 years

The following are the duly elected directors as of 31st March 2020: -

Robert Ames (Chairman)	Graham Hale
Chris Nunn (Vice Chairman)	Tony Henty
Tony Bonnett	Philip Hooper
Jane Cant	Martin Smith
Chris Chambers	Elaine Spratling
Rex Codling (Treasurer)	Cindy Thompson

Association Manager to whom day to day management of the Charity is delegated:

Kate Long

Staff

Kate Long – Association Manager
Patricia Moreton – Community Link Worker
Clare Arnabaldi – Training Officer
Isabella Hughes - NLC Support Worker
Anaely Cupido Gomez – Office Coordinator
Samantha Mitchell – Finance Assistant
Malcolm Gaudreau –Senior Caretaker
Ron Hayes - Caretaker
Salma Mahmood – Kitchen Cleaner
Paul Lyden – Caretaker

Volunteers

The Charity has many volunteers whose contribution to the successful functioning of the Resource Centre is essential and invaluable. This includes manning the reception desk

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and coffee bar, cooking and serving lunches on Wednesdays, sorting, pricing and sale of donated items on the sales table, learning support assistance within regular classes, assisting the Treasurer with bookkeeping, cashing up, and other tasks requested by members of staff. Some 8,650 hours of voluntary work was carried out during the year which, at the statutory minimum rate for over 24-year olds, is valued at a notional £75,400.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The governing document is the Memorandum and Articles of Association and subject to the provisions set out in the Companies Act 2006 and the Charities Act 2011.

Constitution

The company is incorporated as a charitable company limited by guarantee, not having share capital and being a registered charity in England and Wales.

A Board of Directors meet quarterly or otherwise as necessary and administers the charity. There are sub-groups covering: building, finance, personnel, publicity, and outreach. A staff management team carries out the day-to-day functions of the Community Resource Centre:

Method of Recruitment and Appointment of Directors

Directors must be a member of the Charity and not be disqualified as a Director or Trustee by the Articles. No body or individual external to the Charity is permitted to appoint directors. Members are invited to put themselves forward or be nominated by other members as directors.

Directors are elected by the members at the Annual General Meeting or other General Meetings for a term of three years. Directors may offer themselves for re-election at the end of their term of office.

The Directors have power to appoint new directors at any stage in between General Meetings. Such directors hold office until the next available General Meeting at which time they must stand for election by the members.

Induction and Training of Directors

Once appointed, new directors receive appropriate training in their duties and responsibilities by reference to relevant literature including publications issued by the Charity Commissioners and advice and assistance from existing directors. Where possible, directors are encouraged to attend related training courses and seminars.

Earley CResCent Community Association

OBJECTIVES AND ACTIVITIES

Objects of the Charity as set out in the governing document:

1 Promote the benefit of the inhabitants of Earley and the surrounding area without distinction of sex, sexual orientation, race or political, religious or other opinions, by associating together the said inhabitants to provide facilities in the interests of the social welfare recreation and leisure-time occupation with the object of improving the conditions of life of the said inhabitants.

2 Establish, or secure the establishment of, a Community Resource Centre and to maintain and manage the same in furtherance of these Objects.

3 Promote the advancement of education, the protection of health and the relief of poverty, sickness, and distress, in particular by the provision of information and learning centres.

4 Promote such other charitable purposes as may from time to time determine.

Activities

The main activities undertaken in relation to the above objects and to further the charity's purposes for the public benefit are as follows:

The Charity owns and operates the CResCent Resource Centre which is designed to meet the needs of voluntary and community organisations, charities, and individuals primarily within the locality, but without any other restrictions. Room and hall hire are available for other charities, community, and voluntary organisations and for leisure, educational and health activities. The Neighbourhood Learning Centre is a multipurpose training room for computer based and other courses of interest to the public. Support and training are given to voluntary and community organisations that provide support to persons of limited means and direct support to individuals. The CResCent Moon Café is open providing tea, coffee, and soft drinks to the general public as well as an informal meeting place and exhibition area. Full lunches are provided to the general public on Wednesdays and buffet lunches are available to groups on courses or other events. The Centre has an Information Desk providing local community-based information on a wide range of subjects such as health, education, community activities and details for carers and the disabled

Further details of the Association's activities can be seen on the website:

www.earleycrescent.org.

Public Benefit Statement

In exercising their duties to achieve the objects of the Charity as set out above, the directors have paid due regard to the Charity Commissioners' guidance on public benefit in deciding what the activities should be.

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ACHIEVEMENTS AND PERFORMANCE

The following are the major achievements of the charity during the reporting period in fulfilling its objects and duty of public benefit:

- Continued increase in the use of the building. The centre remains a permanent home for some local groups, including Optalis Ltd (a day service for adults with learning disabilities), the Reading Church of Christ, ACE (Activity Centre Earley), Earley Bus, Quilters, Value Learning, X-Pert Diabetes Education, Susan Daughtrey Education and Yoga, Tai Chi, Line dancing, Macmillan Cancer Support, Queen Victoria Institute, Cotswold Medical, UK Trading & Development, Berkshire Ramblers, PINNT, CLASP, Achieving for Children, Foresters Friendly Society, Reading Advice Network, Rachael Gouldring Dance, Cave Languages and East Reading Horticultural Society. Other local charitable and activity groups attend regularly, and there are many one-off community events including bookings for polling station, blood service and Local Authority use.
- Increased range of community information available from the Help Desk with constant updating and checking. Continuing partnership with the Local authority and DWP for the provision of their information.
- Coffee bar, – lunches are offered at affordable prices once a week, as well as a daily drop-in facility for local residents. Many people also use the coffee bar for informal meetings and an exhibition space is available.
- Promotion of the centre through a diverse range of marketing, including our own up-to-date website and regular press coverage. Permanent advert in libraries, various newsletters, Earley Town Guide, ClickBerkshire, Family Grapevine, Wokingham Word, Berkshire Break, Facebook, Instagram, and Earley Crescent Website.
- Fundraising continues in the centre, with donated goods, coffee bar sales, lunches, and catering.
- Continued commitment from volunteers with many new volunteers joining, some of whom are younger than average, and they bring a diverse range of skills to the Association. Success in attracting new volunteers is largely due to the success of the centre and the training and support given.
- Due to the change of funding, we held our own Learner Awards Celebration. This recognised the achievements of many of our learners in overcoming barriers to learning.
- Provision of wide-ranging training opportunities both for local people and voluntary sector groups – IT, first aid, food safety, disability awareness, safeguarding, data protection, assertiveness, confidence building, communication skills, health and safety, business skills and essential living skills.
- To support local people, in partnership with The National Careers Service, we have further continued our Careers Advisory Service providing one to one information and advice sessions on learning and work. This complements our existing work skills programme and our range of courses include information and advice on learning and work, CV writing, interview preparation, interview skills,

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group interview skill, and job search using social networking. We are currently working with nine major employers who support us in delivering mock interviews to give the most recent and relevant tips on how to conduct themselves to the best of their advantage.

- To assist members of the community seeking employment we have continued a partnership with both Reading and Bracknell Job Centres to ensure that all current information is available in the Centre. This compliments the careers advice already available at Crescent as mentioned in the previous paragraphs. We attend Reading Job Centre for a monthly surgery to promote our employment services at Crescent and the NHS walk-in service in Reading Town Centre.
- Engaging 500+ inactive learners in an informal and supportive environment.
- Engaging vulnerable, disabled, and isolated groups in a range of training.
- Success of Family Learning workshops covering a range of subjects including Science Workshops, Healthy Eating, Christmas baking, summer cookery and Cup-cake decorating. We have had success in increasing the number of male participants.
- Partnership working with other local agencies such as Bracknell and Wokingham College, Local and District Councils, Mencap, Earley Years & Childcare, local Church groups, Optalis Ltd, Wokingham Volunteer Centre, Wokingham Borough Children's Centre, Ability Housing Support, Wokingham Borough Community mental Health Team, Dementia Awareness Alliance, Berkshire Carers Hub, New Directions Reading, Reading Libraries, Reading Advice Network, Autism Berkshire, Whitley Wood Community Association, Reading Refocus, Alama House, Day Compass Services and British Red Cross.
- The centre is continuously held up as an example of good design and working practice by many organisations. We have been asked for advice by other groups starting similar projects elsewhere and involved with consultations regarding Transport, Health Watch, Mental Health, Public Transport Infrastructure and Local Development Plan.
- Provision of two computers for public use.
- Up to date software in the Neighbourhood Learning Centre training room and the public-use computers.
- Area of benefit includes Greater Reading and widened partnerships to publicise our services with Elevate Reading, New Directions, WEA, and Prospect Park.
- Renew and up-date all course paperwork, marketing, and publicity annually.
- Renew Matrix Qualification.

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FINANCIAL REVIEW

Treasurer's Report

In common with virtually every business and charity, coronavirus has hit hard, and in some cases has proved so devastating that they will not survive. In our case, the cautious approach we have maintained since our foundation has enabled us to build up a level of reserves that should ensure our survival as a "Going Concern". Nevertheless, in view of the uncertainties that lay ahead, if the current lock-down restrictions continue for a prolonged period of time it will be essential we reduce our outgoings as much as possible. We have acted already with six of our staff being furloughed. Ultimately, if the restrictions continue through the summer and into the autumn, we will have to take more drastic action to reduce our expenditure. This could only be done by reducing our employment costs which account for 59% of our total expenditure; most of the other items being fixed.

Our Insurance Policy provides for Loss of Income, but insurance companies claim that policies do not cover coronavirus or pandemics, as cover only applies to "specific diseases" and coronavirus is not listed amongst them. Our brokers have confirmed this is the case. There are ongoing disputes, however, between policy holders and their insurers and it may be the question will be settled in court. We have to assume, however, that no benefit will accrue from this source.

Following the lock-down, we closed the Centre to the general public on March 23rd but we have remained open to accommodate two essential services, namely the NHS Blood Transfusion Service and Cotswold Medical who check the health of, and issue certificates, to drivers of PSV and HGV vehicles. We also have, of course, administrative matters to attend to and to make the many alterations necessary for social distancing to be achieved to meet the individual needs of our customers once they are able to return.

In my report last year, I anticipated there would be a deficit on unrestricted funds due to an increase in our staff, and costs associated with the installation, training, and operating the new Quickbooks bookkeeping system. This proved to be the case, although lower than I had anticipated, with an operational deficit on unrestricted funds of £4,750. Indeed, had it not been the sudden cessation of our income in the middle of March due to the coronavirus pandemic, which resulted in a loss of income of around £4,000, we would have just about broken even. The operational deficit was reduced to £1,021 following a transfer of £3,769 from the Provision for Land and Buildings Maintenance and repair. This came about as a result of Provision funds being used to purchase tangible assets.

Overall, our unrestricted incoming resources fell by 2.4% compared to the previous year, largely a result of the coronavirus pandemic as mentioned above. Our main source of income, Room and Hall hire fees, has virtually reached saturation point in terms of bookings, so future increases in income will depend on a rise in our tariffs. We bear in mind, of course, our charitable duties are to keep our prices as low as possible for the benefit of our customers, and also, we are in competition with other organisations of a similar nature. If the plans to extend the building, to be funded by The Earley Charity, come to fruition, we will obviously have more space for hiring. It would, of course, increase our outgoings as well!

Our unrestricted expenditure increased by an eye-watering 11.7% compared to 2018/19. A large component was an increase in salary costs of some £6,000 (net of the Job Retention Scheme grant). This was partly due to a general salary rise of 2% and the employment of Samantha Mitchell in September. Sam has taken the role of Financial

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Assistant to take over some of my duties as Treasurer, to replace volunteer Maggie Aldwin for most of the bookkeeping and provide support for the Quickbooks system. I would like to record my thanks to Maggie who retired in September for all the help and support she has given to the Charity, and me in particular, almost from the launch of The Crescent.

The other major increase in our costs was expenditure to our consultants, James Cowper Kreston, for the installation, training, advice, and support for the introduction of the Quickbooks system. This amounted to some £7,000. Quickbooks is proving a useful tool in such operations as invoicing, but some problems have not yet been ironed out as regards bookkeeping, so we have continued to maintain manual bookkeeping as well as a back-up.

The Restricted column includes the restricted funds as set out in notes 20 -22 on pages 22 and 23. The main source of restricted funds income are grants from The Earley Charity to cover the employment costs of the Association Manager amounting to £37,012 and funding the Neighbourhood Learning Centre at a cost of £60,167. This magnificent financial support from The Earley Charity is greatly appreciated. The accounts of the Neighbourhood Learning Centre resulted in an operational deficit of £2,544 for the year. The Restricted Funds deficit of £23,514 was largely due to the amortisation and depreciation charge of £21,158.

Future Prospects

The severe effects of the coronavirus lock-down and the restrictions still in place since the easing of this (as at September 11, 2020), will result in a substantial deficit for the 2020/21 financial year. It is difficult to forecast the amount of this, but on the assumption that a second wave lock-down does not occur, it is likely to be in the region of £30,000 - £35,000. Adequate reserves are available to cover this and enable us to continue on a "going concern" basis. With hall and room bookings returning since the end of August, it is expected that a break-even situation will be achieved during the 2021/22 financial year. This is, of course, subject to no deterioration in the present circumstances.

For further details, please refer to note 25 on page 24.

Reserve Policy

The Policy is based on the difference between the current assets and current liabilities (i.e. working capital) as appearing in the Balance Sheet at the end of the financial year in respect of unrestricted funds.

General Reserve

To maintain a surplus of current assets over current liabilities (i.e. working capital) of £94,000 in respect of unrestricted funds. This figure is equal to approximately four months normal total turnover and is considered the appropriate level in view of the fact that much of the Association's income is in the form of grants which may be for limited periods of time. The reserve is intended to provide working capital for the normal day-to-day working of the Association, and in addition, to give the Association time, in the event of the cessation of a major source of income, for alternative sources to be sought without damaging, in the short term, the functions of the Association.

As at 31st March 2020, the reserve amounted to £113,288

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Review of the Reserve Policy

The Reserve Policy is reviewed annually after the end of the financial year in the light of results for that financial year, or earlier if there is any substantial change in the Charity's financial circumstances.

EXEMPTIONS FROM DISCLOSURE

This does not apply to this report.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

No such funds are held.

OTHER INFORMATION

Ownership of Property

Earley Charity provided the funding for the construction of the Crescent Centre building which was demised to Earley Crescent Community Association. Should the Earley Crescent Community Association be wound up in the future, the ownership of the building would revert to Earley Charity.

Wokingham Borough Council owns the freehold of the land on which the Crescent Resource Centre is built. It has granted a lease to the Earley Crescent Community Association for a term of 60 years from 6 August 2003 at a rental of £1.00 per annum. This provides an estimated benefit of £3,160.00 per annum.

Risks and Uncertainties

Review of major risks

The directors have assessed the risks faced by the Association and addressed these issues including implementation of internal controls.

The following major risks have been identified:

- Large negative impact caused by the coronavirus lockdown resulting in substantial loss of income. See Treasurer's report, "Future Prospects" for more information.
- Substantial damage to the building, leading to cessation of activities and income. Insurance cover held for repair or rebuilding and to provide compensation for loss of income. Unfortunately, it is claimed that the loss of income due to the coronavirus emergency is not covered.
- Health and Safety of staff, volunteers and customers is of paramount importance to the Association. Accidents on site could lead to adverse publicity and financial penalties. Regular inspections of the premises are carried with the view to identifying potential hazardous situations. Health and Safety issues considered at every Board Meeting. Centre evacuations are carried out every six months and fire and health and safety procedures are reviewed annually to ensure we are complying with up-dated legislation.

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- Hazardous and inappropriate activity by our hirers. As part of conditions of hire, each hirer is required to carry out their own risk assessment for each activity and sign a copy of our fire procedure to ensure they comply with our Health and Safety regulations.
- Fraud internally or externally including cyber and IT attacks. All payments require two signatures and an internal audit team of directors' checks bank statements, invoices etc on a monthly basis. A full annual audit is carried out by a Senior Statutory Auditor, although this is not a statutory requirement.
- Legal action taken against the Association on the grounds of negligence, employment disputes or otherwise. Expert outside advice available from HR Dept on an on-going basis and defence costs covered by insurance. Public Liability cover held.
- Loss of grant income could seriously affect The Association which could lead to curtailment of activities. Earley Charity as the main grant maker, however, has agreed to the present funding of the Resource Centre to December 2021 on a three year rolling basis and grants over three years to the Neighbourhood Learning Centre until July 2021 also on a three year rolling basis, subject to our complying to conditions.
- 40.4% of our income from Room and Hall hire arises from a single customer, Optalis Ltd. The loss of this business could also result in a serious loss of income, at least in the short term.
- Disruption to normal business caused by work on the proposed extension of the premises. Every effort will be made by the builders to keep this to a minimum.

Grant-making

The Charity made no grants during the year and does not anticipate doing so to other charities and parties at present.

Pension Policy

The Charity joined the Pension Auto-Enrolment scheme in November 2016 and contributes to staff pension scheme policies at the rate of 6% of basic gross salary.

Future Developments

At the present time, the trustees do not anticipate any changes in the Charity's activities.

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STATEMENT OF DIRECTORS' ROLES AND RESPONSIBILITIES

The directors acknowledge their responsibilities to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company as at the end of the financial year, and of its statement of financial activities for the financial period, in accordance with the Companies Act 2006.

In preparing those financial statements, the directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent; and
3. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that comply with the Companies Act 2006 and which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

So far as the directors are aware there is no relevant information of which the Charity's auditors are unaware and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the Charity's auditors are aware of that information.

Approved by the Directors and Trustees on

24th August 2020

And signed on their behalf by Robert Ames (Chairman)



**EARLEY CRESCENT COMMUNITY ASSOCIATION
STATEMENT OF FINANCIAL ACTIVITIES**

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR 1ST APRIL 2019 TO 31ST MARCH 2020

Incoming Resources	Notes	Unrestricted Funds	Restricted Funds	Total	Total 2018-19
Grants	3		97179	97179	94713
Donations	4	1944		1944	1087
Job Retention Scheme	3	1003	497	1500	0
Room/Hall Hire Fees	5	120484		120484	124768
Other Trading Activities:	6				
Coffee Bar, Catering and Lunches		15054		15054	15547
Donated Goods for Resale		4977		4977	5740
Other Fundraising		250		250	168
Interest Income		304	245	549	421
NLC Course Fees and Equipment Hire			8064	8064	10291
Sundry Income		768		768	873
Total Incoming Resources		144784	105985	250769	253608
Resources Expended					
Salaries	8	84221	65379	149600	143001
Employer National Insurance		3228	3502	6730	6525
Pension Contributions		4527	3887	8414	7918
Land & Buildings Maintenance & Repairs	12	12258		12258	10510
Gas, Electricity & Water		10157		10157	8421
Insurance		4827		4827	3866
Coffee Bar & Catering Supplies	6	2552		2552	2799
NLC Equipment & Software Costs			3639	3639	3784
NLC Tutor Fees & Course Costs			28537	28537	29057
Matrix Qualification			1680	1680	0
Staff & Volunteers' Expenses		304	106	410	715
Administrative & Office Costs		8468		8468	9204
Outsourcing		10066		10066	2808
Telephone & Internet		2063	991	3054	2999
Bank Charges	13	102		102	107
Audit Fee	13	1500		1500	1500
Fundraising Costs				0	0
Promotional Expenses		491	140	631	490
Sundry Expenses				0	99
Training			480	480	3432
Bad Debts				0	0
Business Rates		988		988	966
Advertising		270		270	265
Depreciation & Amortisation	15	3552	21158	24710	23729
Total Resources Expended		149574	129499	279073	262195
Net Incoming Resources Before Transfers		-4790	-23514	-28304	-8587
Transfers	14	3769		3769	511
Net Movement in Funds		-1021	-23514	-24535	-8076
Total Funds Brought Forward 1st April 2019		154556	848049	1002605	
Total Funds Carried Forward 31st March 2020		153535	824535	978070	

All gains and losses recognised in the year are included above. The notes on pages 17-25 form part of these financial statements.

EARLEY CRESCENT COMMUNITY ASSOCIATION

Company No. 4383491 Charity No. 1092607

BALANCE SHEET AS AT 31ST. MARCH 2020

		22020	2020	2019	2019
	Notes				
Fixed Assets					
	15		726068		740473
Current Assets					
Debtors	16	19262		25514	
Cash in Hand		207		187	
Bank Deposits		<u>275496</u>		<u>267698</u>	
Total Current Assets		<u>294965</u>		<u>293399</u>	
Less Current Liabilities					
Creditors - amounts falling due within one year	17	23894		13448	
Provisions for liabilities	18	<u>19069</u>		<u>17819</u>	
Total Current Liabilities		<u>42963</u>		<u>31267</u>	
Net Current Assets			252002		262132
Total Net Assets			<u><u>978070</u></u>		<u><u>1002605</u></u>
The Funds of the Charity	20				
Unrestricted Funds			153535		154556
Restricted Funds			<u>824535</u>		<u>848049</u>
Total Charity Funds			<u><u>978070</u></u>		<u><u>1002605</u></u>

The financial statements have been prepared in accordance with the special provisions relating to small companies within the Companies Act 2006 and in accordance with the requirements of SORP 2015 (FRS102).

Approved by the Board of Directors on

And signed on their behalf by:-

Robert Ames
Director/Chairman

The notes on pages 17-25 form part of these financial statements.



EARLEY CRESCENT COMMUNITY ASSOCIATION

Notes to the Financial Statements for the year 1st. April 2019 to 31st March 2020

- 1 The Statement of Financial Activities represents net incoming resources or deficit from 1st April 2019 to 31st March 2020

Prior period is for the financial year 1st April 2018 to 31st March 2019.

2 Accounting Policies

Basis of Preparation

(1) The financial statements have been prepared in accordance with the provisions of SORP 2015 (FRS 102). As a small charity not subject to a statutory audit, the directors have opted for reduced reporting requirements where permitted, and in particular:

- a) Income and Expenditure is recognised by the nature of the items, not on an activity basis.
- b) Omission of a statement of cashflows.

(2) Under the historical cost convention and in accordance with the special provisions of the Companies Act 2006 relating to small companies.

(3) On a going concern basis, there being no material uncertainties about the Charity's ability to continue.

Income Recognition

Income only includes that income that relates to activities that have taken place during the financial year. Grants are recognised when they fall due within the period of these accounts. In the event of such grants not being received by the end of the accounting period, they are included under "Accrued Income". Grants received during the accounting period but relating to a subsequent period are carried forward as "Prepaid Income".

Liability Recognition

Liabilities are recognised when legal or constructive obligations that commit the charity to expenditure are incurred. When entering a contract for the supply of goods or services, expenditure is recognised once the supplier of goods or services has performed their part of the contract.

Financial Instruments

Financial Instruments are recognised when the Charity becomes party to the contractual provisions of the instrument and derecognised when the Charity's obligations are discharged, expire or are cancelled.

The Charity holds the following financial instruments:

Cash
Debtors
Creditors
Bank Deposits

All financial instruments are classified as basic.

EARLEY CRESCENT COMMUNITY ASSOCIATION

2 (contd) Financial Instruments (Contd)

Financial Instrument	Measurement of Initial Recognition	Measurement of carrying amount	As at 31/3/20 Refer to
Cash	Cash held	Cash held	Balance Sheet
Debtors	Invoiced Amounts	Unpaid Invoiced amounts less any doubtful debts.	Note 17
Creditors	Refer to "Liability Recognition" on previous page.	Unpaid amounts	Note 18
Bank Deposits	Cash amount of deposits	Cash amount of deposits	Balance Sheet

Designated Funds

Designated Funds are agreed by the Trustees in respect of income that is allocated for a specific purpose. No designated funds were held as at March 31st 2020.

Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at historical cost less depreciation. Depreciation is provided on a straight-line basis at rates calculated to write-off the cost less residual value of each asset over its expected life as follows:-

	Over	Rate of Depreciation
Buildings	Period of lease	
Car Park surface/drainage	20 years	5%
Furniture, Fittings & Equipment	5 or 10 years	20% or 10%

EARLEY CRESCENT COMMUNITY ASSOCIATION

3 Grants Received

Grants have been received or accrued from the following organisations or individuals:-

	2019/20	2018/19
<u>Crescent Resource Centre</u>		
Earley Charity	37012	35713 Performance Related
<u>Neighbourhood Learning Centre</u>		
Earley Charity	60167	59000 Performance Related
Total	<u>97179</u>	<u>94713</u>

NOTE: The Charity has benefitted from Government Assistance under the Job Retention Scheme to the amount of £1,500 during the financial year.
The Charity has not received any other form of Government assistance.

4 Donations

	2019/20	2018/19
Membership Subscriptions	907	757
Asda	500	0
Other donations	537	330
	<u>1944</u>	<u>1087</u>

5 Room and Hall Hire Fees

Income from the hire of rooms and the hall is recognised when the booking has taken place and invoiced.

6 Other Trading Activities

	2019/20	2018/19
<u>"Crescent Moon" Coffee bar, Catering and Lunches.</u>		
Gross Income	15054	15547
Purchase of Stock	2552	2799
Surplus	<u>12502</u>	<u>12748</u>

Due to the small amount of stock held and frequent turnover, the carrying value of stock is not recognised in the Balance Sheet.

<u>Donated Goods for Resale</u>	2019/20	2018/19
Relating to the Crescent Resource Centre	<u>4977</u>	<u>5740</u>

Items for the Sales Table and Books are donated to the Charity for resale for fundraising purposes. Due to the large volume of such items which have low second hand values, it is not practical to estimate a fair value on receipt. The value of such goods is therefore recognised as income when sold.

EARLEY CRESCENT COMMUNITY ASSOCIATION

7 Volunteers

It is estimated that volunteers completed 8,650 hours of unpaid work during the year. If measured by reference to the current minimum statutory pay for over 24 year-olds, this is equivalent to a contribution of £75,400, a figure that is not recognised in the accounts.

8 Employee Costs

The Charity employed 10 persons as at 31st March 2020. During the year, the average staff employed, all of whom were part time, was 10.8.

The average full-time equivalent was 5.8, divided between the Crescent Resource Centre 4.6, and the Neighbourhood Learning Centre 1.2

.No employees received employee benefits of more than £60,000.

The Association Manager is considered a "Key Management Person" and received employee benefits amounting to £36,554 for the year.

9 Directors' Remuneration and Expenses

None of the Directors have been paid any remuneration or received any other benefits from an employment with the Charity or a related party.

None of the Directors have been paid any amount in respect of expenses.

10 Directors' Interests

The following interests have been declared by the Directors in accordance with the Charity's Conflicts of Interest Policy:

Name of Director	Relates To	Description of Interest
Robert Ames	Self	Trustee of Earley Charity
Robert Ames	Self	Trustee of EarleyBus
Philip Hooper	Self	Trustee of Earley Charity
Anthony Henty	Self	Treasurer of EarleyBus
Cindy Thompson	Self	Secretary of ACE

11 Transactions with Related Parties

There have been no related party transactions during the year that require disclosure.

12 Land and Buildings Maintenance and Repairs

Charges for Maintenance and Repairs:	2019/20	2018/19
Actual Expenditure	6108	4360
Transfer to Provision (See Note 19)	6150	6150
Total Charge	12258	10510

13 Audit and Other Financial Service Fees

	2019/20	2018/19
Non-Statutory Audit Fee	1500	1500
Bank Charges	102	107
	1602	1607

EARLEY CRESCENT COMMUNITY ASSOCIATION

14 Transfers

The following transfers were made.

	2019/20		2018/19	
	Unrest'd	Restricted	Unrest'd	Restricted
Assets bought through Provision for Land and Buildings and Repair	3769		511	
	<u>3769</u>	<u>0</u>	<u>511</u>	<u>0</u>

15 Tangible Fixed Assets

	Buildings	Fixtures Fittings & Equipment	Total
AT COST	£	£	£
As at 1st April 2019	1000189	120714	1120903
Additions during year	0	10305	10305
Disposals during year	0	-10128	-10128
As at 31st March 2020	<u>1000189</u>	<u>120891</u>	<u>1121080</u>
DEPRECIATION/AMORTISATION			
As at 1st April 2019	273614	106816	380430
Charge for the Year	18364	6346	24710
Arising on Disposals during year	0	-10128	-10128
As at 31st March 2020	<u>291978</u>	<u>103034</u>	<u>395012</u>
NET BOOK VALUE			
As at 1st April 2019	726575	13898	740473
As at 31st March 2020	<u>708211</u>	<u>17857</u>	<u>726068</u>

16 Debtors

	2020	2019
All debtors fall due within one year.		
Trade Debtors	8474	12092
Prepaid Expenses	9288	8505
Accrued Income	1500	4917
Total Debtors	<u>19262</u>	<u>25514</u>

17 Creditors

	2020	2019
All creditors fall due within one year.		
Taxation, Social Security & Student Loan	0	0
Trade Creditors	2288	857
Grants in Advance	19574	9393
Accrued Expenses	2032	3198
Total Creditors	<u>23894</u>	<u>13448</u>

EARLEY CRESCENT COMMUNITY ASSOCIATION

18 Provision for Liabilities

Building's Maintenance and Repair	2020	2019
Balance brought forward April 1 2019	17819	18616
Transfer in during year	<u>6150</u>	<u>6150</u>
	23969	24766
Expenditure during year	<u>-4900</u>	<u>-6947</u>
Balance as at March 31 2020	<u>19069</u>	<u>17819</u>

A provision is maintained to evenly spread estimated expenditure occurring at intervals of more than one year. This is operated over a ten year cycle and 2019/2020 was the seventh year of the current cycle. The total amount to be provided over the ten years is £61,500 and one tenth of this amount is set aside each year. Expenditure on the items concerned is charged to the Provision as and when it occurs.

19 Taxation

The Earley Crescent Community Association is a registered charity and is not liable to Corporation Tax in view of its income from trading activities being exempt.

20 Funds

Net Fund Balances as at:	31/03/2020	31/03/2019
Unrestricted		
General	130301	136299
Projects	<u>23234</u>	<u>18257</u>
Total Unrestricted Funds	<u>153535</u>	<u>154556</u>
Restricted		
Buildings	708211	726575
Neighbourhood Learning Centre	114757	119903
Centre	1141	953
Fixtures Fittings & Equipment	<u>426</u>	<u>618</u>
Total Restricted Funds	<u>824535</u>	<u>848049</u>
Total Funds	<u>978070</u>	<u>1002605</u>

General Fund

Provide a Community Resource Centre with the flexibility to serve the needs of all voluntary and community based organisations, charities and individuals within Earley, Reading and Wokingham Borough and the surrounding area.

Projects Fund

Fundraising set aside for future projects.

Building Fund

Building costs of the Crescent Resource Centre and Extension and Car Park surface and drainage less Amortisation and Depreciation.

EARLEY CRESCENT COMMUNITY ASSOCIATION

20 Funds (Continued)

Neighbourhood Learning Centre Fund

Supporting training courses and course costs, marketing of projects and funding of NLC staff.

Centre Fund

Provides for the employment costs of the Centre Manager and related expenditure funded by Earley Charity on a rolling three year basis and subject to regular reporting to the Charity.

Fixtures Fittings & Equipment Fund

Provide for certain fixtures, fittings and equipment paid for from "one-off" grants in respect of the Resource Centre and Garden.

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ANALYSIS OF MOVEMENT IN FUNDS

	Unrestricted Funds			Restricted Funds			Total
	General	Projects	Buildings	NLC	Centre	FF&E	
Brought Forward April 1 2019	136299	18257	726575	119903	953	618	1002605
Incoming Resources	139807	4977	0	68974	37011	0	250769
Resources Expended	149574	0	18364	74120	36824	191	279073
Transfers: From Provision	3769						3769
Carried Forward March 31 2020	130301	23234	708211	114757	1140	427	978070

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ANALYSIS OF NET ASSETS ATTRIBUTED TO FUNDS

	Unrestricted Funds			Restricted Funds			Total
	General	Projects	Buildings	NLC	Centre	FF&E	
Fixed Assets	17013	0	708211	436	0	408	726068
Debtors	17020		0	2242	0	0	19262
Cash and Bank	129065	23234	0	122245	1141	18	275703
Creditors	13728		0	10166	0	0	23894
Provision	19069						19069
	130301	23234	708211	114757	1141	426	978070

EARLEY CRESCENT COMMUNITY ASSOCIATION

23 Share Capital and Membership

The Company is limited by Guarantee and without share capital. Each member undertakes to contribute such amount as may be required, not exceeding £10, to the assets, debts, liabilities and costs in the case of the Company being wound up with insufficient assets to repay its liabilities.

24 Controlling Party

There is no controlling party. Each member is liable for the same guarantee and no one member has more voting rights than another.

25 Post Year Events

Non-Adjusting events after the end of the reporting period. (As at September 11th 2020)

- (1) The effects on our activities as a result of the coronavirus will be considerable, although it is difficult to fully quantify these at the present time.
The Resource Centre closed to the general public on March 23rd, but remained available for customers offering essential services including the NHS Blood Transfusion Service. Four members of the Crescent staff have been furloughed. During the lock-down period, Kate Long and Malcolm Gaudreau have worked tirelessly to ensure we complied with all the coronavirus regulations and to enable our customers to feel confident about returning when possible.

In the first quarter of the 2020/21 financial year, unrestricted incoming resources fell by 69%, including grants under the Job Retention Scheme, compared to the same period last year. Although outgoing expenditure fell by 25%, the result was an unaudited deficit of £17,567 for the quarter.

From the end of August, bookings for our hall and rooms began gradually to resume, and so far approximately 75% of our customers have indicated they wish to do so. As a result, it is anticipated that the deficit for the second quarter is likely to be in the region of £9,000 with further improvement in the third quarter. It is expected that we can start the 2021/22 financial year at the break even point or very close to it. This does depend, of course, on not experiencing a second wave of coronavirus causing another lock-down. Due to the level of Unrestricted Reserves built up over many years, however, the Charity has sufficient resources to cover a prolonged period of closure and can, therefore, be viewed on a "Going Concern" basis.

The Neighbourhood Learning Centre (a restricted Fund) has been closed since March 23rd and the two members of staff furloughed, although they have been recalled recently to plan the resumption of this service. The funding by The Earley Charity has continued and there was a "nominal" surplus of £10,453 in the first quarter, although this is likely to be adjusted for future grants.

- (2) An extension to the building has been agreed with The Earley Charity which will include a second story to be used as offices by The Earley Charity. It is expected that work on this will commence in November. The entire cost of this will be paid by The Earley Charity. Some disruption to our activities will result, but every effort will be made to keep this to a minimum.

**Report of the Independent Auditors to the Members of
Earley Crescent Community Association**

Opinion

We have audited the financial statements of Earley Crescent Community Association (the 'charity') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Charities Act 2011

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Earley Crescent Community Association**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Trustees.

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small Charities exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Upton (Senior Statutory Auditor)
for and on behalf of Peter Upton (Statutory Auditor)
PO Box 782
Maidenhead
Berks
SL6 1FR

Date: 1 October 2020