

BRECKON HILL COMMUNITY ENTERPRISE
(Limited by guarantee-not having a share capital)

**TRUSTEES' REPORT AND
STATEMENT OF ACCOUNTS**

YEAR ENDED 31ST JULY 2019

REGISTERED CHARITY: 1125513

COMPANY NUMBER: 06590349

BRECKON HILL COMMUNITY ENTERPRISE

REPORT OF THE TRUSTEES

YEAR ENDED 31ST JULY 2019

The Trustees present their report and the audited financial statements of the charity for the year ended 31st July 2019. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name	Breckon Hill Community Enterprise
Company Number	06590349
Charity Number	1125513

DIRECTORS AND TRUSTEES

The directors (who are trustees of the charity) who served during the period were:-

Mrs Shirley Robinson	Treasurer
Mr George Nolan	
Mr Arthur West	
Mr Paul Wishart	
Mr William Robertson	Resigned 4 th September 2018
Mr Sean Hickman	Appointed on 4 th September 2018

COMPANY SECRETARY

Mrs Jennifer Dowsett

PROJECT MANAGER

Amanda Buck

REGISTERED OFFICE

Breckon Hill Community Centre
Breckon Hill Road
Middlesbrough
TS4 2DS

INDEPENDENT EXAMINER

Mr J Gresham
Baldwins
New Garth House
Upper Garth Gardens
Guisborough
TS14 6HA

BANKERS

Co-operative Bank PLC

BRECKON HILL COMMUNITY ENTERPRISE
(Limited by Guarantee – not having a share capital)

REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31st JULY 2019

STRUCTURE GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 12th May 2008 and registered as a charity on 14th October 2008. It started its operations on 1st August 2008, when the activities of Breckon Hill Community Association were transferred to the charity.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

OBJECTIVES AND ACTIVITIES

The company is a registered charity whose principal objects are:

- (1) To further or benefit the community of Middlesbrough and the neighbouring Tees Valley area without distinction of sex, sexual orientation, race age, disability race or political, religious or other opinions, by associating together the said communities and the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interest of social welfare for recreation, leisure time occupation with the objective of improving the conditions of life for the community.
- (2) To develop the capacity and skills of the community of Middlesbrough and the neighbouring Tees Valley area in such a way that local residents are better able to identify and deal with matters that affect them and so that such residents can participate more fully in society.
- (3) In furtherance of these objects, but not otherwise, the trustees shall have power to manage and maintain Breckon Hill Community Enterprise, to establish or secure the establishment of any other community centre and to maintain or manage or co-operate with any statutory authority in the maintenance and management of such centre(s) for activities promoted by the charity in the furtherance of the above objects

ACHIEVEMENTS AND PERFORMANCE

During the year the charity has managed the Community Centre in accordance with its above objects. The trustees have referred to the guidance issued by the Charity Commission on public benefit when reviewing its aims and objectives and looking at its future plans.

BRECKON HILL COMMUNITY ENTERPRISE
(Limited by Guarantee – not having a share capital)

REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31ST JULY 2019

FINANCIAL REVIEW

The statement of financial activities on page 5 shows the results for the period.

RESERVES

The trustees have determined that free reserves equivalent to 6 months fixed running costs (£40000 at present levels) will be required to allow the charity to continue its activities and seek alternative sources of funding, should there be a downturn in funding from current sources. At 31st July 2019 free reserves (i.e. those unrestricted reserves not designated or tried up in fixed assets) amounted to £12832, which does not meet this level, but alternative sources of income generation are constantly being sought.

RISK REVIEW

The trustees have considered the charity's exposure to risk and have put in place policies to mitigate those risks. The main risk identified by the trustees is being unable to secure sufficient funding to continue its activities. The reserves policy described above is designed to mitigate the adverse effects of this.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also directors of Breckon Hill Community Enterprise for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

Approved by the trustees on 19th November 2019 and signed on their behalf by:

Mrs S Robinson

Trustee

Independent Examiner's Report to the Trustees of Breckon Hill Community Enterprise

I report on the accounts of the company for the year ended 31st July 2019 which are set out on pages 5 to 13

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company 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:

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

Basis of independent examiner's statement

My examination was carried out in accordance with general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from 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 no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave 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.

Mr J Gresham
Baldwins
19th November 2019

New Garth House
Upper Garth Gardens
GUISBOROUGH
TS14 6HA

BRECKON HILL COMMUNITY ENTERPRISE

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31ST JULY 2019

	Note	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £	2018 Total Funds £
INCOME					
From charitable activities					
Grants receivable	2	87	73445	73532	96010
Langridge Initiatives Centre		15317	-	15317	13098
Fundraising		324	-	324	745
Miscellaneous		180	-	180	128
From other trading activities					
Room hire and rent		25288	-	25288	22422
Consultancy		-	-	-	350
Bank interest		22	-	22	4
Photocopies		1052	-	1052	-
TOTAL INCOME		<u>42270</u>	<u>73445</u>	<u>115715</u>	<u>132757</u>
EXPENDITURE					
On charitable activities		<u>27534</u>	<u>94603</u>	<u>122137</u>	<u>137588</u>
	3	<u>27534</u>	<u>94603</u>	<u>122137</u>	<u>137588</u>
Net income/(expenditure)	4	14736	(21158)	(6422)	(4831)
Transfers	6	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		14736	(21158)	(6422)	(4831)
Fund balances brought forward		18135	21656	39791	44622
Transfer		<u>(201)</u>	<u>201</u>	<u>-</u>	<u>-</u>
FUND BALANCES CARRIED FORWARD	10	<u>32670</u>	<u>699</u>	<u>33369</u>	<u>39791</u>

The notes on pages 7 to 13 form part of these accounts.

AS AT 31ST JULY 2019

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BRECKON HILL COMMUNITY ENTERPRISE

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST JULY 2019

1. ACCOUNTING POLICIES

(a) General information and basis of preparation

Breckon Hill Community Enterprise is a company limited by guarantee and registered in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities relate to the management of a Community Centre as described on page 2.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2016 and UK Generally Accepted Practice as it applies from 1 January 2015.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity adopted SORP (FRS 102) in the current year but this has not affected the financial position or performance.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

BRECKON HILL COMMUNITY ENTERPRISE

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST JULY 2019

1. ACCOUNTING POLICIES

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income is earned through holding cash in a deposit account and is recognised when it is earned.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. All direct costs relate to the charity's charitable activities.

BRECKON HILL COMMUNITY ENTERPRISE

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST JULY 2019

1. ACCOUNTING POLICIES

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 3.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(f) Tangible fixed assets

The charity currently has no tangible fixed assets.

(g) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(h) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

BRECKON HILL COMMUNITY ENTERPRISE

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST JULY 2019

1. ACCOUNTING POLICIES

(i) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(j) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(k) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2. GRANTS RECEIVABLE

	Unrestricted £	Restricted £	2019 Total £	2018 Total £
Tudor Trust	-	20000	20000	20000
Middlesbrough Community Learning Service	-	16430	16430	46294
Ballinger	-	15000	15000	-
MVDA Hidden Carers	-	5000	5000	-
Musinc	-	1900	1900	-
Catherine Cookson	-	500	500	-
Feast of Fun	-	4169	4169	2775
Winter Wonderland	-	500	500	-
Donation	87	-	87	8
Youth Provision	-	8946	8946	8946
Minerva Trust	-	-	-	12592
Public Health	-	-	-	4895
Apprentice	-	-	-	500
Tees Valley	-	1000	1000	-
	<u>87</u>	<u>73445</u>	<u>73532</u>	<u>96010</u>

BRECKON HILL COMMUNITY ENTERPRISE

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST JULY 2019

3. TOTAL RESOURCES EXPENDED

	Charitable Activities	Governance Costs	2019 Total	2018 Total
	£	£	£	£
Directly Allocated Costs				
Staff Costs	48615	-	48615	45834
Café costs	963	-	963	403
Additional caretaker costs	743	-	743	-
Travel & training	448	-	448	1319
Independent Examination	-	1166	1166	960
Payroll service costs	432	-	432	684
Minerva Trust Costs	1008	-	1008	1500
Youth Project	5173	-	5173	3709
Feast of fun	4197	-	4197	1398
Second chance project	929	-	929	3223
Musinc costs	1201	-	1201	-
Winter Wonderland costs	566	-	566	-
Other project costs	-	-	-	844
Sundry	536	-	536	923
External training providers	6880	-	6880	23000
Support Costs allocated on the basis of usage				
Salaries	33529	1765	35294	35005
Premises costs	7083	373	7456	11639
Postage, stationery & advertising	1860	98	1958	3344
Telephone & internet	1574	83	1657	1035
Insurance	1470	77	1547	1400
Peninsula consultancy	1300	68	1368	1368
TOTAL RESOURCES EXPENDED	118507	3630	122137	137588

4. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:	2019 £	2018 £
Trustees' remuneration & expenses	-	-
Independent Examiner's Fee	1166	960

5. EMPLOYEE EMOLUMENTS

There were no employees whose remuneration defined for taxation purposes amounted to greater than £60000.

	2019 £	2018 £
Wages and Salaries	80089	78138
Social Security costs	5530	6140
Employment allowance	(2073)	(3735)
Employers pension	363	296
	83909	80839

The average number of employees during the year was 6 (2018: 6).

BRECKON HILL COMMUNITY ENTERPRISE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JULY 2019

6. TRANSFERS

The transfers relates to expenditure on projects which had been met out of general funds.

7. DEBTORS

	2019	2018
	£	£
Prepayments	712	690
Other debtors	14725	11510
	<u> </u>	<u> </u>
	15437	12200
	<u><u> </u></u>	<u><u> </u></u>

8. CREDITORS: Amounts falling due within one year

	2019	2018
	£	£
Social security and other taxes	1438	746
Accruals	8495	6112
Deferred income	20000	20000
Other creditors	-	100
	<u> </u>	<u> </u>
	29933	26958
	<u><u> </u></u>	<u><u> </u></u>

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Current Assets	62603	699	63302
Current Liabilities	(29933)	-	(29933)
	<u> </u>	<u> </u>	<u> </u>
	32670	699	33369
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

BRECKON HILL COMMUNITY ENTERPRISE

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST JULY 2019

10. MOVEMENTS IN FUNDS

	Opening Balance £	Other Incoming Resources £	Resources Expended £	Transfers £	Closing Balance £
Restricted Funds					
Tudor Trust – Manager’s salary	-	20000	(20000)	-	-
Minerva Trust	9644	-	(9644)	-	-
Public Health	4875	-	(4875)	-	-
Feast of Fun	-	4169	(4197)	28	-
Youth Provision	4537	8946	(13483)	-	-
MCLS	2600	16430	(19030)	-	-
Winter Wonderland	-	500	(548)	48	-
Ballinger	-	15000	(15000)	-	-
Catherine Cookson	-	500	(500)	-	-
MVDA	-	5000	(5000)	-	-
Tees Valley	-	1000	(1125)	125	-
Musinc	-	1900	(1201)		699
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted Funds	21656	73445	(94603)	201	699
Unrestricted Funds					
General funds	3646	26953	(12240)	(201)	18158
Designated Funds					
Salaries	5567	15317	(15294)	-	5590
Reorganisation	8922	-	-	-	8922
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Funds	<u>39791</u>	<u>115715</u>	<u>122137</u>	<u>-</u>	<u>33369</u>

Purposes of Restricted Funds

The Tudor Trust grant is towards the manager’s salary.

Purpose of Designated Funds

The salaries fund relates to money set aside for payment of the manager’s salary to the extent that it exceeds any funding available for this purpose.

The reorganisation fund has been set aside in the event that the trustees decide that the charity will need to review its mode of operation should funding continue to be difficult to find.