

REGISTERED COMPANY NUMBER: 04275541 (England and Wales)
REGISTERED CHARITY NUMBER: 519835

Report of the Trustees and
Audited Financial Statements for the Year Ended 31 August 2020
for
Alt Valley Community Trust Limited

Andrew D. Kilshaw
Chartered Accountant and
Registered Auditor
99 Stanley Road
Bootle
Merseyside
L20 7DA

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for the Year Ended 31 August 2020

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Report of the Trustees
for the Year Ended 31 August 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2020. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Alt Valley Community Trust (AVCT) is a Social Business based in The North East of Liverpool. It serves several electoral wards experiencing significant social and economic challenges (as identified by the 'indices of Multiple Deprivation'). It was founded as an Educational charity in 1988 but has since developed into a multi-faceted anchor organisation contributing to Individual Well-Being and sustainable Communities.

Vision

Sustainable communities where everybody achieves their full potential and leads happy, healthy and fulfilled lives.

Mission

We bring about positive change in Alt Valley and the wider community by developing innovative partnerships to maximise opportunities in community engagement, education and training, sport and wellbeing, and business and enterprise.

The charity's core objectives are

- 1) To contribute to the creation of sustainable communities.
- 2) To provide education and leisure training facilities to enable people to acquire and develop vocational skills.
- 3) To train and educate people through their leisure time activities so their health and wellbeing and conditions of life may be improved.

The policies adopted in furtherance of these objectives are reviewed on an annual basis. The charity ensures that robust monitoring, evaluation and review processes are in place to evidence the impact and effectiveness of our community focused work.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should pursue.

The charity's objectives are promoted through 4 key operational areas namely;

- Business and Employment
- Community Development
- Education and Training
- Sports and Wellbeing

Report of the Trustees
for the Year Ended 31 August 2020

OBJECTIVES AND ACTIVITIES

Public benefit

AVCT was established to provide a range of services to address disadvantage in the Alt Valley and surrounding neighbourhoods of Liverpool. Our activities are intended to improve access to education and training, support for people entering employment and to provide community facilities and well-being activities, all of which build a sustainable community.

AVCT has grown to be one of the biggest social enterprise, community organisations in Liverpool, offering a unique range of services and facilities. AVCT has contracts with Liverpool City Council for the delivery of education and sports activities, the ESFA for the delivery of vocational training and has taken over the management of some City Council community assets to keep them open and to maintain local services for local people. Not only has local provision been retained, the footfall and the community use has increased.

AVCT is increasingly being called on to provide additional support to local community organisations to keep them going. This includes providing advice, staff expertise and affordable office and meeting space. The range of services, resources, partners and experience has made AVCT an invaluable resource for the north east of the city. The Trust's key role as the main 'Anchor' organisation for the Alt Valley communities now extends to the North East wards of Yew Tree and Knotty Ash as well as Croxteth, Norris Green, Clubmoor and Fazakerley.

Report of the Trustees
for the Year Ended 31 August 2020

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The policies adopted in furtherance of these objectives are reviewed on an annual basis. The company ensures that robust monitoring, evaluation and review processes are in place to evidence the impact and effectiveness of our community focused work.

Governance

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should pursue.

All company policies were reviewed & updated and internal financial controls for charities documentation completed at the AGM on 10th January 2020.

Staff and Management

Two consultants assist senior staff and Trustees in developing plans for the future. The Executive Director along with the Assistant Chief Executive retain an overview of all Trust activities including finance. Staff re-structuring is a permanent feature of the charity and a pre-requisite for adapting to changing needs and contexts.

Response to the National lockdown March 2020

Clearly, the impact of the pandemic presented unprecedented challenges which required swift responses, flexibility and new direction setting to ensure that AVCT remained a going concern.

Obviously most of AVCT's services and activities were suspended from March 2020 onwards but by August a programme of evolving /partial re-opening commenced.

Community Centres

- Ellergreen. Remained open and fully operational as a community hub providing essential services such as a food bank.
- Dovecot partially mothballed. Three tenants returned in August 2020 and the Library reopened, in discussions with two community providers re leasing the sports facilities and one community business looking to lease.
- Communiversity. The centre was closed during lockdown but from August it will be subject to a major refurbishment funded through the Liverpool City Region. A substantive learning base will be created including a Design Engineer Construct (DEC) centre of excellence in conjunction with one of our long term partners, Class of Your Own.

Libraries

All 3 Libraries re-opened from 12th August 2020

Sports Centres

- 2 centres (Croxteth and Walton) partially reopened with social distancing regulations in place. Part roof replacement underway at Walton to future proof provision.
- Dovecot centre closed pending discussions with community partners interested in leasing the facilities.

Education

- Skills Centre and Construction Training Centre both closed. Premises leased to a film company until December 2020.
- Educational provision has been based upon remote learning since March 2020. Staff re-located to Vauxhall Neighbourhood Council building as an operational base whilst new learning centre was developed at the Communiversity.

Report of the Trustees
for the Year Ended 31 August 2020

FINANCIAL REVIEW

Financial position

The Trust continues to operate extremely tight financial margins. All financial years are equally challenging as public funding continues to be put under increasing pressure. The Finance Manager ensures that rigorous systems are applied to secure efficiencies, value for money and contract compliance.

During the year under review, the organisation received total income of £1,772,152. Expenditure on charitable activities came to £1,440,309 resulting in net incoming resources for the year of £331,843. Total fund balances at 31st August 2020 equalled £3,612,141 of which £2,147,827 were restricted funds, £479,999 were designated funds and £984,315 were unrestricted funds. At 31st August 2020, net current assets totalled £231,881.

AVCT's financial year finishes in August and we have lost a considerable amount of income this year, some of which has been offset by business support income and grants from Power to Change and the Steve Morgan Foundation. AVCT have also benefited from the continued support from SIB with freezing the loan repayments which has been crucial in allowing the company to move forward and plan for the future.

We continue to use the government's furlough scheme which has offered invaluable support and secured viability. Staff redundancies were kept to a minimum by re-structuring operations and rationalising hours of work.

Next financial years forecast will include anticipated losses of revenue, however we anticipate growth in education going forward, future lockdown permitting. We have also secured a grant from the lottery to help with costs and staff cost during this period of change. We have retained 42 staff with a robust forward plan which puts AVCT and partners in a good position to respond to community need and provide services in the future. Our plans for education are unique and have the full backing of the Mayor who has established a senior management team to support developments, in particular with DEC and creative training. The sports centres will continue to be a challenge for the foreseeable future; we are consulting with staff and anticipate making further cuts in October 2021 when the furlough scheme ends.

Reserves policy

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The Trustees regularly review the finances and budget forecasts in the context of the of an ever changing environment and monitor the Trust's working capital requirements.

In line with Charity Commission guidance, the Trustees believe a good reserves policy helps the organisation to be prepared to deal with unforeseen emergencies or other unexpected needs for funds, such as an unexpected large repair bill. There could also be a need to fund short-term deficits in a cash budget whereby money needs to be spent before a funding grant is received.

The Trustees, in line with Charity Commission guidance have therefore established a reserves policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the Charity should be approximately equal to three months of expenditure at current levels. The Trustees are actively planning to build towards the stated level of reserves.

Report of the Trustees
for the Year Ended 31 August 2020

FUTURE PLANS

Staff worked indefatigably throughout this period to respond to immediate community needs but despite the tumultuous context we also recognised the need to review all services and prepare an amended strategic response. Given the potential existential crisis the Senior Leadership team conducted a thorough appraisal of current building assets, community based services and financial forecasting. It was recognised that the modus operandi from March 2020 was no longer relevant. Having experienced such a seismic shift in society it was clear that innovative new approaches were required in order to 'build back better'. Two key approaches were needed. Firstly, the staffing structure was rationalised in order to secure greater efficiency and effectiveness. Secondly, plans were devised to 'repurpose' some of our community based assets.

Our plans going forward include involving more partners in all aspects of the sports and wellbeing offer, utilising our locations and links within areas to optimise use and create a social base to re-engage our communities. The Sports and Wellbeing Centres will focus on engaging partners to work cooperatively in providing a range of activities and services that maximise community well-being. Both bases will require new equipment, building repairs and renewal. The business model for both centres will be based on a mutually supportive break-even/future investment model, where all partners subscribe to a joint delivery plan and take responsibility for bespoke areas within the centre.

We have contacted the City's Film Office to see if there was any plans to capitalise on the City's growing reputation as a location for the film industry, (Liverpool is the most Filmed city outside of London) it was during these discussions that we had the opportunity to offer the Skills and Construction centres as both a film location to build sets and as a production centre. We are working with the Film Office to look at the possibility of developing training opportunities within the creative industries.

Community hubs

A key feature of our future-focused strategy includes the consolidation of AVCT's 3 community hubs. Investment will be sourced from our own resources and through grant awards.

- Expand provision at Ellergreen Community Centre to support Youth and Elderly hubs
- Re-establish the Communiversity as AVCT's main education base with an emphasis on digital and health related provision. The café and library will become dual use entities given the scope to service the centre and members of the public.
- Further development of Dovecot Community hub by extending the space dedicated to alternative education. The community café and library will be merged to establish an older persons' hub space. The sports facility to be re-opened in conjunction with with two new partners. 50% of the first floor space dedicated to youth& community group use. The remainder dedicated to a 'Business Start-up Zone with 6 full service units with meeting and support areas.

As previously outlined our plans for a revised operational model are based upon changing community needs and exacerbated problems associated with the impact of Covid 19. We will, of course continue to work in collaboration with a range of partners including the City Council, Liverpool City Region, social housing providers, key services and most importantly local community organisations. We are fully committed to partnership working and this aspect is always an integral part of our work.

Partnerships

The Trust continues to develop its work in the wider community, building on its successful partnerships with Neighbourhood Services Company, Liverpool City Council, Class of Your Own and Vauxhall Neighbourhood Council. Our work and responsibilities as a Community Anchor organisation will continue to be the main driver influencing our future strategies for community sustainability and well-being.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Report of the Trustees
for the Year Ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

As set out in the Articles of Association there will be a minimum of four trustees and no more than seventeen. When considering the appointment of trustees the Board has regard to the requirement of any specialist skills needed. For example Mrs. L. Baugh is an experienced Early Years Practitioner with a Safeguarding Specialism and she joined the board to assist in this regard in the delivery of the education and training programmes for the charity.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The board of trustees which can have up to 17 members administers the charity. The board normally meets quarterly and there are link directors who liaise with the Education and Training, Community Development, Sport and Well Being and Business and Employment Managers.

A Chief Executive is appointed by the trustees to manage the day to day operations of the charity. In order to facilitate effective operations the Chief Executive has delegated authority, within terms of delegation approved by the trustees in operational matters including finance, employment and programme delivery.

Induction and training of new trustees

New trustees undergo an induction process to ensure they are aware of their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association as well as the recent financial performance of the charity. Trustees will meet key employees, other trustees and are encouraged to undertake appropriate external training to help facilitate the undertaking of their role.

The Chair of the Board is completing a skills audit to ensure that bespoke support and training is provided to all trustees and that a range of governance competencies are in place.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04275541 (England and Wales)

Registered Charity number

519835

Registered office

Communiversality
Altcross House
Altcross Road
Liverpool
Merseyside
L11 0BS

Trustees

Ms A M Mason
Mrs L A Baugh
Mr G Brennan
Mr J Donnelly
Mr A Jennings
Dr B McDonough
Mr A L Rimmer
Ms S A Sweeney
Mr R Meredith (appointed 13.10.20)

Company Secretary

Ms S A Sweeney

Report of the Trustees
for the Year Ended 31 August 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Andrew D. Kilshaw
Chartered Accountant and
Registered Auditor
99 Stanley Road
Bootle
Merseyside
L20 7DA

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Alt Valley Community Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Andrew D. Kilshaw, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 15 June 2021 and signed on its behalf by:



Ms A M Mason - Trustee

Report of the Independent Auditors to the Trustees of
Alt Valley Community Trust Limited

Opinion

We have audited the financial statements of Alt Valley Community Trust Limited (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 charitable company's affairs as at 31 August 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 Companies Act 2006.

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 charitable company 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 charitable company'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, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew D. Kilshaw

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Chartered Accountant and
Registered Auditor
99 Stanley Road
Bootle
Merseyside
L20 7DA

15 June 2021

Alt Valley Community Trust Limited

Statement of Financial Activities
for the Year Ended 31 August 2020

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total funds £
INCOME AND ENDOWMENTS FROM						
Charitable activities	2					
Sports and wellbeing		216,728	-	-	216,728	382,890
Education		287,123	-	312,948	600,071	686,910
Community engagement		302,735	-	255,016	557,751	631,821
Covid Funding		386,535	-	-	386,535	-
Other income		11,067	-	-	11,067	1,750
Total		1,204,188	-	567,964	1,772,152	1,703,371
EXPENDITURE ON						
Charitable activities	3					
Sports and wellbeing		291,300	1,059	26,107	318,466	403,253
Education		385,557	1,406	107,680	494,643	765,629
Community engagement		421,380	1,535	204,285	627,200	453,332
Total		1,098,237	4,000	338,072	1,440,309	1,622,214
NET INCOME/(EXPENDITURE)		105,951	(4,000)	229,892	331,843	81,157
RECONCILIATION OF FUNDS						
Total funds brought forward		878,364	483,999	1,917,935	3,280,298	3,199,141
TOTAL FUNDS CARRIED FORWARD		984,315	479,999	2,147,827	3,612,141	3,280,298

The notes form part of these financial statements

Balance Sheet
31 August 2020

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total funds £
FIXED ASSETS						
Tangible assets	8	1,516,095	479,998	1,830,142	3,826,235	3,883,682
Social investments	9	82,000	-	-	82,000	82,000
		<u>1,598,095</u>	<u>479,998</u>	<u>1,830,142</u>	<u>3,908,235</u>	<u>3,965,682</u>
CURRENT ASSETS						
Debtors	10	50,406	-	-	50,406	128,367
Prepayments and accrued income		1,504	-	-	1,504	19,552
Cash at bank and in hand		107,905	-	317,686	425,591	51,656
		<u>159,815</u>	<u>-</u>	<u>317,686</u>	<u>477,501</u>	<u>199,575</u>
CREDITORS						
Amounts falling due within one year	11	(245,620)	-	-	(245,620)	(377,076)
		<u>(85,805)</u>	<u>-</u>	<u>317,686</u>	<u>231,881</u>	<u>(177,501)</u>
NET CURRENT ASSETS						
		<u>(85,805)</u>	<u>-</u>	<u>317,686</u>	<u>231,881</u>	<u>(177,501)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,512,290</u>	<u>479,998</u>	<u>2,147,828</u>	<u>4,140,116</u>	<u>3,788,181</u>
CREDITORS						
Amounts falling due after more than one year	12	(527,975)	-	-	(527,975)	(507,883)
		<u>984,315</u>	<u>479,998</u>	<u>2,147,828</u>	<u>3,612,141</u>	<u>3,280,298</u>
NET ASSETS						
		<u>984,315</u>	<u>479,998</u>	<u>2,147,828</u>	<u>3,612,141</u>	<u>3,280,298</u>
FUNDS	14					
Unrestricted funds					1,464,313	1,362,363
Restricted funds					2,147,828	1,917,935
TOTAL FUNDS					<u>3,612,141</u>	<u>3,280,298</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2020.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

The notes form part of these financial statements

Balance Sheet - continued

31 August 2020

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 15 June 2021 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A.M. Mason'.

Ms A M Mason - Trustee

Alt Valley Community Trust Limited

Cash Flow Statement
for the Year Ended 31 August 2020

	Notes	31.8.20 £	31.8.19 £
Cash flows from operating activities			
Cash generated from operations	1	402,795	52,765
Interest paid		(28,860)	(39,380)
Net cash provided by operating activities		<u>373,935</u>	<u>13,385</u>
Cash flows from investing activities			
Sale of tangible fixed assets		-	1,750
Net cash provided by investing activities		<u>-</u>	<u>1,750</u>
Change in cash and cash equivalents in the reporting period		<u>373,935</u>	<u>15,135</u>
Cash and cash equivalents at the beginning of the reporting period		<u>51,656</u>	<u>36,521</u>
Cash and cash equivalents at the end of the reporting period		<u><u>425,591</u></u>	<u><u>51,656</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 August 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.20 £	31.8.19 £
Net income for the reporting period (as per the Statement of Financial Activities)	331,843	81,157
Adjustments for:		
Depreciation charges	57,447	59,341
Profit on disposal of fixed assets	—	(1,750)
Interest paid	28,860	39,380
Decrease/(increase) in debtors	96,009	(14,982)
Decrease in creditors	(111,364)	(110,381)
Net cash provided by operations	<u>402,795</u>	<u>52,765</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.19 £	Cash flow £	At 31.8.20 £
Net cash			
Cash at bank and in hand	51,656	373,935	425,591
	<u>51,656</u>	<u>373,935</u>	<u>425,591</u>
Debt			
Debts falling due within 1 year	(99,555)	75,081	(24,474)
Debts falling due after 1 year	(507,883)	(20,092)	(527,975)
	<u>(607,438)</u>	<u>54,989</u>	<u>(552,449)</u>
Total	<u>(555,782)</u>	<u>428,924</u>	<u>(126,858)</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 1% on cost
Long leasehold	- at varying rates on cost
Improvements to property	- 1% on cost
Plant and machinery	- Straight line over 4 years
Fixtures and fittings	- Straight line over 4 years
Motor vehicles	- Straight line over 4 years
Computer equipment	- Straight line over 3 years

Under FRS 102 section 35.10(c) transitional provisions, the Trustees have elected to use the fair value of certain freehold properties as a 'deemed cost'. The valuation was undertaken by Mason Owen Chartered Surveyors. The buildings will be subject to annual depreciation and no further revaluations will be necessary.

Social investments

Programme related social investments are valued at fair value.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

2. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.8.20 £	31.8.19 £
Sports Centre income	Sports and wellbeing	216,728	382,890
Training income	Education	287,123	505,825
Grants	Education	312,948	181,085
Library management	Community engagement	165,000	165,000
Room hire	Community engagement	12,563	23,665
Room rental	Community engagement	125,172	116,176
Grants	Community engagement	255,016	326,980
Grants	Covid Funding	386,535	-
		<u>1,761,085</u>	<u>1,701,621</u>

Grants received, included in the above, are as follows:

	31.8.20 £	31.8.19 £
Sports England	73,688	-
Power to Change Trust	25,000	-
ESF	-	15,545
Liverpool City Council	289,628	170,040
Big Lottery Fund	103,000	110,947
Cobalt Housing	4,805	758
Sefton Council for Voluntary Service	59,883	35,121
Liverpool Community College	-	116,523
Other	-	475
Awards For All	9,900	-
Veolia Environmental Trust	-	58,656
Merseyside Play in Action	2,060	-
Covid Funding	386,535	-
	<u>954,499</u>	<u>508,065</u>

3. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 4) £	Totals £
Sports and wellbeing	190,254	128,212	318,466
Education	341,964	152,679	494,643
Community engagement	476,906	150,294	627,200
	<u>1,009,124</u>	<u>431,185</u>	<u>1,440,309</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

4. SUPPORT COSTS

	General £	Finance £	Governance costs £	Totals £
Sports and wellbeing	117,619	7,888	2,705	128,212
Education	138,657	10,441	3,581	152,679
Community engagement	134,970	11,410	3,914	150,294
	<u>391,246</u>	<u>29,739</u>	<u>10,200</u>	<u>431,185</u>

Support costs, included in the above, are as follows:

	Sports and wellbeing £	Education £	Community engagement £	31.8.20 Total activities £	31.8.19 Total activities £
Premises costs	67,101	88,812	97,064	252,977	292,928
Repairs and renewals	6,267	8,295	9,066	23,628	11,309
Travel expenses	-	-	2,590	2,590	4,709
Postage and stationery	2,552	3,377	3,691	9,620	3,375
Sundries	41	55	60	156	1,133
Legal and professional fees	11,890	15,738	17,200	44,828	114,838
Depreciation of tangible fixed assets	29,768	22,380	5,299	57,447	59,341
Bank charges	233	309	337	879	1,441
Interest payable and similar charges	7,655	10,132	11,073	28,860	39,380
Auditors' remuneration	2,705	3,581	3,914	10,200	10,200
	<u>128,212</u>	<u>152,679</u>	<u>150,294</u>	<u>431,185</u>	<u>538,654</u>

5. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.8.20 £	31.8.19 £
Auditors' remuneration	10,200	10,200
Depreciation - owned assets	57,447	59,341
Surplus on disposal of fixed assets	-	(1,750)

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2020 nor for the year ended 31 August 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2020 nor for the year ended 31 August 2019.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

7. STAFF COSTS

	31.8.20	31.8.19
	£	£
Wages and salaries	814,536	874,532
Social security costs	53,149	61,994
Other pension costs	7,633	7,841
	<u>875,318</u>	<u>944,367</u>

The average monthly number of employees during the year was as follows:

	31.8.20	31.8.19
Teaching staff and trainees	9	10
Caretaker / cleaners	5	4
Office and management	15	15
Sports Centre staff	15	15
Library staff	6	6
	<u>50</u>	<u>50</u>

No employees received emoluments in excess of £60,000.

8. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Improvements to property £	Plant and machinery £
COST				
At 1 September 2019 and 31 August 2020	<u>1,225,304</u>	<u>1,228,841</u>	<u>1,751,182</u>	<u>65,912</u>
DEPRECIATION				
At 1 September 2019	59,012	127,501	135,650	65,412
Charge for year	<u>12,253</u>	<u>11,289</u>	<u>33,637</u>	<u>250</u>
At 31 August 2020	<u>71,265</u>	<u>138,790</u>	<u>169,287</u>	<u>65,662</u>
NET BOOK VALUE				
At 31 August 2020	<u>1,154,039</u>	<u>1,090,051</u>	<u>1,581,895</u>	<u>250</u>
At 31 August 2019	<u>1,166,292</u>	<u>1,101,340</u>	<u>1,615,532</u>	<u>500</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

8. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 September 2019 and 31 August 2020	522,375	5,875	102,700	4,902,189
DEPRECIATION				
At 1 September 2019	522,357	5,875	102,700	1,018,507
Charge for year	18	-	-	57,447
At 31 August 2020	522,375	5,875	102,700	1,075,954
NET BOOK VALUE				
At 31 August 2020	-	-	-	3,826,235
At 31 August 2019	18	-	-	3,883,682

9. SOCIAL INVESTMENTS

	Programme related investments equity £
MARKET VALUE	
At 1 September 2019 and 31 August 2020	82,000
NET BOOK VALUE	
At 31 August 2020	82,000
At 31 August 2019	82,000

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.20 £	31.8.19 £
Trade debtors	50,206	113,664
Other debtors	200	14,703
	50,406	128,367

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.20	31.8.19
	£	£
Other loans (see note 13)	24,474	99,555
Trade creditors	54,936	42,052
Social security and other taxes	10,223	15,709
Other creditors	121,107	166,479
Accruals and deferred income	34,880	53,281
	<u>245,620</u>	<u>377,076</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.8.20	31.8.19
	£	£
Other loans (see note 13)	<u>527,975</u>	<u>507,883</u>

13. LOANS

An analysis of the maturity of loans is given below:

	31.8.20	31.8.19
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>24,474</u>	<u>99,555</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>84,696</u>	<u>90,228</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>250,673</u>	<u>262,975</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans more 5yrs instal	192,606	154,680

£700,000 from Futurebuilders England Limited, repayable by instalments over 20 years, commencing April 2007 with an interest rate of 6%. This loan is secured by way of a legal charge on the property at St Swithin's Church, Gillmoss Lane, Liverpool.

£375,000 from Futurebuilders England Limited, repayable by instalments over 10 years, commencing August 2013 with an interest rate of 6%. This loan is secured by way of a second legal charge over the Communiversity property, Alt Valley, Liverpool.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

14. MOVEMENT IN FUNDS

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	878,364	105,951	984,315
Dovecot MAC	483,999	(4,001)	479,998
	<u>1,362,363</u>	<u>101,950</u>	<u>1,464,313</u>
Restricted funds			
ERDF	752,638	(17,530)	735,108
SEIF Sports	479,285	(19,522)	459,763
Power to Change	-	25,000	25,000
Sports England - Dovecot MAC	34,803	(357)	34,446
Big Lottery - Dovecot MAC	607,053	(6,228)	600,825
Veolia Environmental Trust	44,156	-	44,156
Skills Capital Funding	-	222,798	222,798
Sport England - Croxteth	-	25,732	25,732
	<u>1,917,935</u>	<u>229,893</u>	<u>2,147,828</u>
TOTAL FUNDS	<u>3,280,298</u>	<u>331,843</u>	<u>3,612,141</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,204,188	(1,098,237)	105,951
Dovecot MAC	-	(4,001)	(4,001)
	<u>1,204,188</u>	<u>(1,102,238)</u>	<u>101,950</u>
Restricted funds			
ERDF	-	(17,530)	(17,530)
SEIF Sports	-	(19,522)	(19,522)
Drama	1,500	(1,500)	-
Power to Change	25,000	-	25,000
Sports England - Dovecot MAC	-	(357)	(357)
Big Lottery - Dovecot MAC	-	(6,228)	(6,228)
Liverpool City Council	62,130	(62,130)	-
Big Lottery - Reaching Communities	103,000	(103,000)	-
Include - IT Mersey	31,862	(31,862)	-
Big Lottery - Awards for All	9,900	(9,900)	-
Be Your Own Boss	1,377	(1,377)	-
Skills Capital Funding	222,798	-	222,798
Merseyside Play Action Council	2,060	(2,060)	-
Help to Health	1,928	(1,928)	-
Sport England - Croxteth	73,689	(47,957)	25,732
MNF Fund	4,700	(4,700)	-
VOLA New Futures	28,020	(28,020)	-
	<u>567,964</u>	<u>(338,071)</u>	<u>229,893</u>
TOTAL FUNDS	<u>1,772,152</u>	<u>(1,440,309)</u>	<u>331,843</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

14. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
Unrestricted funds			
General fund	766,875	111,488	878,363
Dovecot MAC	488,000	(4,000)	484,000
	1,254,875	107,488	1,362,363
Restricted funds			
ERDF	770,168	(17,530)	752,638
SEIF Sports	498,807	(19,522)	479,285
Awards for All 15-16	943	(943)	-
Sports England - Dovecot MAC	35,160	(357)	34,803
Big Lottery - Dovecot MAC	639,188	(32,135)	607,053
Veolia Environmental Trust	-	44,156	44,156
	1,944,266	(26,331)	1,917,935
TOTAL FUNDS	3,199,141	81,157	3,280,298

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,195,307	(1,083,819)	111,488
Dovecot MAC	-	(4,000)	(4,000)
	1,195,307	(1,087,819)	107,488
Restricted funds			
ERDF	-	(17,530)	(17,530)
SEIF Sports	-	(19,522)	(19,522)
Awards for All 15-16	-	(943)	(943)
Drama	4,500	(4,500)	-
Sports England - Dovecot MAC	-	(357)	(357)
Big Lottery - Dovecot MAC	-	(32,135)	(32,135)
Liverpool City Council	165,540	(165,540)	-
Cobalt Housing	758	(758)	-
Liverpool Community College - Enterprise Hub	116,522	(116,522)	-
Big Lottery - Reaching Communities	110,947	(110,947)	-
Working Futures - NEET	15,545	(15,545)	-
Other Restricted Funds	475	(475)	-
Veolia Environmental Trust	58,656	(14,500)	44,156
Include - IT Mersey	35,121	(35,121)	-
	508,064	(534,395)	(26,331)
TOTAL FUNDS	1,703,371	(1,622,214)	81,157

15. RELATED PARTY DISCLOSURES

During the year, the charity entered into transactions, on an arms length basis, with community organisations The Neighbourhood Services Company Limited and Vauxhall Neighbourhood Council Limited; both related parties by virtue of there being common directors.

At 31st August 2020, the charity owed The Neighbourhood Services Company Limited the sum of £117,466 by way of Other Creditors.