

FRINTON ON SEA COMMUNITY ASSOCIATION

(Registered Charity - Registration Number: - 274134)

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31st DECEMBER 2016

CONTENTS

	Page
Annual Report	2 - 7
Statement of Financial Activities	8
Statement of Cash Flow	9
Balance Sheet	10
Notes to the Accounts	11 - 15
Independent Examiners' Report	16 - 17

FRINTON-ON-SEA COMMUNITY ASSOCIATION

Report of the Management Committee for the year to 31 December 2016

The Management Committee present, their Report and Financial Statements for the year ended 31st December 2016

Reference and Administrative information

Charity name; Frinton-on-Sea Community Association
Charity registration number 274134.
Principal address Soken House, The Triangle Shopping Centre, Rochford Way,
Frinton-on-Sea, Essex, CO13 0AU

Management Committee

The following were members of the Management Committee during all or part of the year:

Gill Nash	Elected 2 nd April 2016	
Jeffrey Hoare	Elected 2 nd April 2016	
Diane McCann	Elected 2 nd April 2016	Resigned 2 nd June 2016
Michael Roberts	Elected 2 nd April 2016	Resigned 31 st May 2016
Peter Jackson	Co-opted 20 th April 2016	
Eric Mills	Co-opted 20 th April 2016	
Joyce Fisher	Co-opted 20 th April 2016	Resigned 21 st October 2016
Jean Oehrich	Co-opted 20 th April 2016	Resigned 20 th October 2016
Sandra Mumford	Co-opted 16 th November 2016	

Senior Management Team

Rosemary Hebborn	President	Elected 2 nd April 2016
Ian Osborne	Treasurer	Elected 2 nd April 2016
Eileen Smith	Secretary	Elected 2 nd April 2016

Independent Examiner for the year

Granite Morgan Smith, 122 Feering Hill, Feering, Colchester, Essex, CO5 9PY.

Bankers

The main bankers to the Association are The Cooperative Bank, Colchester branch

Structure, Governance and Management

Governing document

The Association was constituted at a public meeting held on the 21st April 1977 and is registered with the Charity Commission, No. 274134

Recruitment and appointment of the Management Committee

The Officers of the Association and the other Full Members of the Management Committee are elected annually at the Annual General Meeting which is held at Soken House on a convenient Saturday in March/April each year.

The members of the Management Committee are charity trustees for the purposes of charity law.

FRINTON-ON-SEA COMMUNITY ASSOCIATION

Report of the Management Committee for the year to 31 December 2016 (continued)

Structure, Governance and Management (continued)

Trustee's induction and training.

The first meeting of the newly elected Management Committee each year is treated as a training period, when their responsibilities as Charity Trustees are thoroughly explained.

Organisational structure

The operation of the Association and of the Community Centre is carried out largely by the Management Committee, assisted by some 40 unpaid volunteers. Administration is in the hands of 1 paid Office Manager.

Related parties

The Charity owns all of the issued share capital of a trading company incorporated in the UK. (Frinton Community Services Limited – Registration number 2551086). This company provides refreshment facilities at the Centre, paying over its surplus profits to the Association as a donation. The details of the transactions between the Association and the trading company are more fully described in the notes to the Financial Statements that accompany this report.

Objectives and activities for the public and community benefit

The charity is established to benefit the residents of Frinton-on-Sea and its neighbourhood, currently interpreted as the area covered by the postcode areas of CO13, CO14 and CO15.

The charity is organised as an independent unincorporated association of local residents with an elected managing committee. The main activities of the charity are:

- (a) Providing and managing a Community Centre based in the Association's freehold premises known as Soken House.
- (b) Making grants to worthy causes within the area of benefit

The charity makes available meeting rooms in Soken House to individuals and organisations in Frinton-on-Sea and its neighbourhood. Additionally it provides refreshment facilities for individuals and organisations using Soken House. The charity has over 1,000 individual local members and was used by many local organisations on a regular basis throughout the year. The Management Committee consists of individuals living locally who thus are well placed to identify initiatives to meet the needs of the local community.

Achievements and performance

Facilities available

Five rooms are available at the Centre for hire by any individual or organisation in accordance with the standard hiring agreement and scale of charges adopted for the year.

FRINTON-ON-SEA COMMUNITY ASSOCIATION

Report of the Management Committee for the year to 31 December 2016 (continued)

Achievements and performance (continued)

Review of the year

Activities organised at or through the Centre by Association members during the year included:

Art Workshops (3)	
Ballroom & Sequence Dancing	
Bingo (2)	
Bridge (2)	Poetry Reading
Carpet Bowls	Recorded Music
Darts	Scrabble
Folk Dancing	Community Singers
Apex Club (Holidays & Outings)	Table Tennis
Matinee Club (Holidays & Outings)	Whist
Learn to Play Bridge	Chess
Needlecraft	Cribbage

The following organisations use the Centre regularly for their meetings:

Clacton Radio Controlled Model Aero Club	
Essex Carers	Slimming World
Frinton Art Society	Tai Chi
Frinton Philatelic Society	Walton Flower Club
Holy Trinity Church	Weightwatchers
Keep Fit Classes	Workers' Education Association, Frinton
N E Essex Adult Community Learning	West Water Country Music Club

Full Membership of the Association has decreased very slightly throughout the year ending at 1208. Activity Clubs have remained steady at 23. Constituent groups affiliated to the Association – 5.

Use of the Centre has unfortunately generally decreased during the year. Adult Education has decreased again due to low enrolments. Wedding receptions and birthday celebrations have however, greatly increased. Currently the Centre is not open on Sunday evenings.

Unfortunately, due to recent changes in Ofsted and other requirements combined with the financial losses being incurred by the Pre-School Group operation meant that, with regret, the Management Committee decided that it was not possible to continue to provide this facility and the FCA Pre-School closed at the end of the school year in July 2016.

Financial review

As last year, this report and accompanying financial statements have been prepared in accordance with the recently introduced 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).

FRINTON-ON-SEA COMMUNITY ASSOCIATION

Report of the Management Committee for the year to 31 December 2016 (continued)

Overview of the year

The attached financial statements show the Association's current financial situation. The expenditure on maintenance, refurbishment, hygiene etc have totalled £12,627, an increase on the figure for last year that totalled £7,170. This increase is mainly due to the purchase and installation of a new boiler totalling £7,776, already we are seeing a reduction in our gas usage and will continue to benefit. The major items of expenditure under consideration at the present time are the replacement of the flooring on the first floor and stairs and the re-decoration of the Centre in general. The office salary has increased this year due to more hours worked and the introduction of a workplace pension scheme. Income from private lettings has risen this year and we have a new rental income from EE for the mast. Income from FCA activities has remained the same. All items of expenditure were approved by the management committee and where appropriate two or more estimates obtained. The rest of the expenditure was well spread.

The Restricted Funds activity (Pre-School Group) shows a deficit for the year of £22,687 (2015 - £3,156). This year's great deficit is due to the redundancy payments made to the Pre-School staff following the closure of the Pre-School in July.

The licensed bar and the tea bar are operated by Frinton Community Services Ltd, a wholly owned trading company. Profits not needed to be retained in the company are paid over at the year end to the Association as a donation. The donation made to the Association by FCS this year amounts to £8,632, (2015-£15,334). This drop in profit is mainly due to a large reduction in bar sales, we must look in to the reason why this has happened and find a way to attract people back in to the bar in future. The volunteer tea ladies have done another excellent job in the last 12 months generating gross income of £23,584. (£25,462 in 2015).

The net effect of all factors is that the Association's total income for 2016 shows a deficit of £18,518 (2015 – profit £9,546) after deducting the Pre-School Group deficit of £22,687 (2015 - £3,156).

Principal funding sources

The principal funding resources of the Association are from the hire of rooms to local organisations. It is intended that these hire charges be sufficient to cover all expenditure incurred in providing the Centre. The improvement of facilities is funded from subscriptions, donations, grants and fundraising. A full programme of fundraising activities is planned. As all running costs of the centre continue to rise, we must look at the possibility of increasing the activity group attendance fee which has stayed the same for many years; this would help cover these increases.

Investment policy

Aside from retaining a prudent amount in reserves each year most of the charity's funds are to be spent in the short term and so there are few funds for long term investment. Any surplus funds are placed on deposit so that they are readily available to meet any funding requirements that may arise.

Reserves policy

The Management Committee has examined the charity's requirements for reserves in light of the main risks to the Association. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be between three and six months of the expenditure. Budgeted expenditure for 2017 is £100,000 (2016 - £125,000) and therefore the target for the reserves is £50,000 (2016 – £62,500) in general funds. The reserves are needed to meet the working capital requirements of the charity and the Management Committee are confident that at this level they would be able to continue the current activities of the charity if a significant drop in funding occurred until alternative sources of funding were obtained. At December 31st 2016 the total available liquid reserves in unrestricted funds amount to £82,452 (2015 - £100,664)

FRINTON-ON-SEA COMMUNITY ASSOCIATION

Report of the Management Committee for the year to 31 December 2016 (continued)

Plans for future periods

To continue the necessary remedial works. The major items to be dealt with currently are the flooring on the first floor and stairs. It is also planned to re-decorate the Centre throughout.

As mentioned, the Management Committee closed the Pre-School Group on 22nd July 2016. It is not anticipated that this closure will have any adverse impact on the Association's ongoing activities.

Risk management

The trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity and its subsidiary FCS Ltd face;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimize or manage any potential impact on the charity should those risks materialise.

This work has identified that financial sustainability is the major financial risk for both the charity and its subsidiary. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank, and active management of trade debtors and creditors balances to ensure sufficient working capital by the Association and its subsidiary company.

Attention has also been focused on non-financial risks arising from fire, health and safety matters and food hygiene. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular awareness training for staff and volunteers working in these areas.

Insurance cover has been put in place where appropriate to cover the risks faced by the Association. The F.C.A has served the Community for 39 years and fulfils the demands required. There is no reason not to continue the facilities provided.

Responsibilities of the Trustees

The charity trustees are responsible for preparing a trustee's annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources 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 applicable Charities SORP
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable 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 charity will continue in operation.

FRINTON-ON-SEA COMMUNITY ASSOCIATION

Report of the Management Committee for the year to 31 December 2016 (continued)

Responsibilities of the Trustees (continued)

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Statement as to disclosure to our Independent Examiner

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant information, being information needed by the examiner in connection with preparing their report, of which the group's examiner is unaware, and
- The trustees, having made enquiries of fellow trustees and the organisation's examiner that they ought to have individually taken, have each taken all steps they he/she is obliged to take as a trustee in order to make themselves aware of any relevant information and to establish that the examiner is aware of that information.

Independent Examiner

Granite Morgan Smith was appointed as the Association's Independent Examiner for the year.

This report has been prepared in accordance with the 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 2015)

Approved by the Management Committee on _____ 2017 and signed on its behalf by

ROSEMARY HEBBORN
President

FRINTON ON SEA COMMUNITY ASSOCIATION
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR TO 31 DECEMBER 2016

	Notes	Restricted Funds £	Unrestricted Funds £	Total 2016 £	Total 2015 £
INCOMING RESOURCES					
Charitable activities					
Charges for room hire			46,859	46,859	45,010
Pre-School Group fees			0	0	1,366
Pre-School Group grants		30,691		30,691	55,143
Other activities to generate funds					
Members subs and donations			19,899	19,899	16,919
Fundraising		430	7,701	8,131	8,930
Gift Aid from FCS Limited	4		8,632	8,632	15,334
Admin charge to FCS Ltd			12,240	12,240	11,040
Investment income		18	271	289	316
Other income resources			5,417	5,417	338
TOTAL INCOME RESOURCES		31,139	101,019	132,158	154,396
RESOURCES EXPANDED					
Costs of generating funds					
Fundraising and publicity		125	2,929	3,054	2,475
Printing, stationery and postage			1,324	1,324	1,422
Total non-charitable expenditure		125	4,253	4,378	3,897
Provision of Community Centre					
Admin staff wages			20,730	20,730	15,706
Admin pension costs			132	132	0
Contract cleaning and caretaking			29,600	29,600	29,354
Room hire, rates and water		3,936	3,778	7,714	10,600
Heating and lighting			9,953	9,953	9,561
Building service charge			5,534	5,534	5,372
Insurance			4,159	4,159	4,159
Maintenance including hygiene			12,627	12,627	7,170
Sundries			4,939	4,939	3,993
Depreciation			449	449	499
Provision of Pre-School Group					
Wages		47,279		47,279	50,917
Equipment, training, paper, etc		2,486		2,486	2,890
Total charitable expenditure		53,701	91,901	145,602	140,221
Governance costs					
Independent examiner's fees			696	696	432
Legal and professional fees			0	0	300
Reimbursed out of pocket expenses					0
		0	696	696	732
TOTAL RESOURCES EXPENDED		53,826	96,850	150,676	144,850
NET INCOMING/(OUTGOING)					
RESOURCES & MOVEMENT IN FUNDS		-22,687	4,169	-18,518	9,546
Transfer of Restricted Funds		0	0	0	0
Fund balances at 1 January 2016		-143	256,009	255,866	246,320
Fund Balances at 31 December 2016		-22,830	260,178	237,348	255,866

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derived from continuing activities.

The notes on pages 11 to 15 form part of these accounts

FRINTON ON SEA COMMUNITY ASSOCIATION**STATEMENT OF CASH FLOW FOR THE YEAR TO 31 DECEMBER 2016**

	2016 £	2015 £
Cash used in operating activities (Note 7)	-11,281	-348
Cash flows from investing activities		
Interest income	289	316
Increase/(decrease) in cash and cash equivalents in the year	-10,992	-32
Cash and cash equivalents at the start of the year	90,126	90,158
Total cash and cash equivalents at the end of the year	<u>£79,134</u>	<u>£90,126</u>
Represented by:-		
Deposit account	54,997	72,758
Current account	22,499	15,937
Cash in hand	1,638	1,431
	<u>£79,134</u>	<u>£90,126</u>

The notes on pages 11 to 15 form part of these accounts

FRINTON ON SEA COMMUNITY ASSOCIATION
BALANCE SHEET AS AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	5	154,894	155,343
Investments	4	2	2
		<u>154,896</u>	<u>155,345</u>
CURRENT ASSETS			
Debtors and prepayments		2,917	926
Due from Frinton Community Services Ltd		8,632	15,334
Deposit account		54,997	72,758
Current account		22,499	15,937
Cash in hand		<u>1,638</u>	<u>1,431</u>
		90,683	106,386
CREDITORS due within one year		8,231	5,865
NET CURRENT ASSETS		<u>82,452</u>	<u>100,521</u>
TOTAL NET ASSETS		<u>237,348</u>	<u>255,866</u>
Represented by:-			
RESTRICTED FUNDS	6	-22,830	-143
UNRESTRICTED FUNDS		260,178	256,009
TOTAL FUNDS		<u>237,348</u>	<u>255,866</u>

For and on behalf of the Management Committee

..... Rosemary Hebborn

..... 2017

The notes on pages 11 to 15 form part of these accounts

FRINTON ON SEA COMMUNITY ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2016

1 GENERAL INFORMATION

Frinton on Sea Community Association is a charity and is registered with the Charity Commission, No. 274134.

2 RESPONSIBILITIES

The Managing Committee are required to prepare an annual financial statement. The Managing Committee are also responsible for keeping proper books of account with respect to the affairs of the Association

3 ACCOUNTING POLICIES

a) Basis of preparation

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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Frinton on Sea Community Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. The trustees have determined that no such restatement is required.

c) Preparation of the accounts on a going concern basis

The Association reported a cash outflow of £10,992 for the year. The trustees are of the view that the available cash and cash equivalents available at the year-end combined with measures planned to be taken mean that the Association has the funds available for at least the next 12 to 18 months and that on this basis the Association is a going concern.

d) Income

Income is recognised when the Association has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Association has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance it is deferred until the criteria for income recognition are met.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Association; this is normally upon notification of the interest paid or payable by the Bank.

f) Fund accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms on which the funds were made available to the Association.

FRINTON ON SEA COMMUNITY ASSOCIATION
NOTES TO THE ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2016 (continued)

g) Expenditure and irrecoverable VAT

Expenditure is recognized on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

- Cost of generating funds comprise the costs associated with attracting voluntary income and publicizing the activities of the Association
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the fees of the Independent Examiner.

h) Fixed assets

The freehold premises are not depreciated as the cost of improvements to the premises is written off. The cost of equipment is depreciated on the basis of 10% on written down value.

The tables and chairs and other similar moveable equipment owned by the Association is not capitalized and is written off to revenue as and when it is necessary to replace them.

i) Debtors and prepayments

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Creditors and provisions

Creditors and provisions are recognised where the Association has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

l) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

m) Pensions

The Association now operates a workplace pension scheme.

n) Transition to FRS 102

As mentioned in note 1b) no restatement of items has been required in making the transition to FRS 102. The transition date was 1 January 2014.

FRINTON ON SEA COMMUNITY ASSOCIATION
NOTES TO THE ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2016 (continued)

4 INVESTMENTS AND INCOME EARNED FROM OTHER ACTIVITIES

The Association owns two £1 Ordinary shares in Frinton Community Services Limited (Registration number 2551086) which represents all of the issued share capital of that company. This company provides refreshment facilities at the Centre, paying over its surplus profits to the Association as Gift Aid. The Gift Aid payable in respect of the year to 31st December 2016 amounted to £8,632 (2015 - £15,334) and has been recorded in the accounts of the Association for the current year.

A summary of its trading results is shown below. Accounts will soon be filed with the Registrar of Companies.

FRINTON COMMUNITY SERVICE LIMITED

Summarised Profit and Loss Account for the year to 31 December 2016

	2016	2015
	£	£
Turnover	122,718	127,740
Cost of sales	48,761	51,160
Other direct expenses	49,818	46,966
Gross Profit	24,139	29,614
Operating costs	15,507	14,281
Net profit before taxation	8,632	15,333
Gift Aid to the Association	8,632	15,333
Profit after taxation	£0	£0

Summarised Balance Sheet at 31 December 2016

	2016	2015
	£	£
Fixed assets	2,602	3,469
Current assets	28,481	34,319
Current liabilities	17,624	24,329
Net current assets	10,857	9,990
Total assets	£13,459	£13,459
Represented by:-		
Called up share capital	2	2
Profit and Loss Account	13,457	13,457
	£13,459	£13,459

The trading company paid the Community Association £5,400 (2015 - £4,800) for the use of premises during the year and £4,800 (2015 - £4,200) as an administration charge. Association.

The Gift Aid payment due in respect of 2016 of £8,632 (2015 - £15,334) forms part of the trading company's Current Liabilities and will be paid to the Association prior to 1st October 2017.

FRINTON ON SEA COMMUNITY ASSOCIATION
NOTES TO THE ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2016 (continued)

4 INVESTMENTS (continued)

The accounts of the trading company have not been consolidated with those of the Association as the Management Committee considers that the expense of so doing would not be justifiable.

5 TANGIBLE FIXED ASSETS USED BY THE ASSOCIATION

	Freehold Premises £	Equipment £	Total £
Cost			
At 1 January 2016	150,848	22,518	173,366
Additions	0	0	0
At 31 December 2016	<u>150,848</u>	<u>22,518</u>	<u>173,366</u>
Depreciation			
At 1 January 2016	0	18,023	18,023
Charge for the year	0	449	449
At 31 December 2016	<u>0</u>	<u>18,472</u>	<u>18,472</u>
Net book value			
At 1 January 2016	<u>£150,848</u>	<u>£4,495</u>	<u>£155,343</u>
At 31 December 2016	<u>£150,848</u>	<u>£4,046</u>	<u>£154,894</u>

Frinton and Walton Town Council are the Custodian Trustees of the Association's Freehold Property (Soken House) on behalf of the Association.

6 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds £	Unrestricted Funds £	Total £
Tangible fixed assets		154,894	154,894
Investments		2	2
Current assets	-22,830	113,513	90,683
Current liabilities		-8,231	-8,231
Net assets at 31 December 2016	<u>-£22,830</u>	<u>£260,178</u>	<u>£237,348</u>

The Restricted Fund comprises funds received to provide the Pre-School Playgroup less the direct costs incurred by the Association in providing this facility. The use of these funds is restricted to the provision of these facilities.

FRINTON ON SEA COMMUNITY ASSOCIATION
NOTES TO THE ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2016 (continued)

7 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016	2015
	£	£
Net movement in funds	-18,518	9,546
Add back depreciation charge	449	499
Deduct investment income	-289	-316
Decrease/(increase) in amount due from Frinton Community Service Ltd	6,702	-4,111
Decrease/(increase) in debtors	-1,991	485
Increase/(decrease) in creditors	2,366	-6,451
Net cash used in operating activities	<u>-£11,281</u>	<u>-£348</u>

8 CORPORATION TAX

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

9 EMPLOYEES

The average number of employees during the year was 6 (2015 – 11).

10 EVENTS

In March 2016 the Management Committee decided to close the Pre-School Group with effect from July 2016. This will result in the Association having to make redundancy payments to the effected staff of £14,500.

INDEPENDENT EXAMINER'S UNQUALIFIED REPORT TO THE TRUSTEES OF THE FRINTON ON SEA COMMUNITY ASSOCIATION

I report on the accounts of the Association for the year to 31 December 2016, which are set out on pages 9 to 17.

This report is made solely to the charity's trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors of the Association for the purposes of company law) are responsible for the preparation of financial statements. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and although an independent examination is not needed (as gross income is less than £250,000) the trustees consider one necessary as control of the Association is not known.

Accordingly is my responsibility to:

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

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity 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:

- a) 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 and to comply with the accounting requirements of the section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities.

Have not been met; or

- b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

C J Smith FCA
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2017