

**LEITH COMMUNITY CENTRE ASSOCIATION SCIO
MANAGEMENT COMMITTEE'S**

**REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019**

REGISTERED SCOTTISH CHARITY

NO. SC 047512

LEITH COMMUNITY CENTRE ASSOCIATION - SCIO

REFERENCE AND ADMINISTRATIVE DETAILS

CHARITY NO: SC047512

COMMITTEE OF MANAGEMENT

The members of The Management Committee are the trustees of Leith Community Centre Association SCIO for the purposes of charity law. The members of the committee who served during the year ended 31 March 2019 and since the year end are as follows:-

Ilene Davidson	(resigned September 2018)
Hilda Hand	(resigned September 2018)
Kathleen Waldman	(resigned September 2018)
Maureen Edwards	(resigned September 2018)
Margaret Bremner	(resigned March 2019)
Kenneth Clacher	
Susan Stanton	(resigned during 2018)
Michael Traill	(elected September 2018)
Caroline Leslie	(elected September 2018)
Adrian Graham	(elected September 2018 and resigned October 2018)
Jan Rule	(co-opted November 2018)
Lorraine Duckworth	(co-opted November 2018)

PRINCIPAL OFFICE

12A Newkirkgate, Edinburgh EH6 6AD

INDEPENDENT EXAMINER

David F Rutherford, Chartered Accountant
Cowan & Partners Ltd, 60 Constitution Street, Edinburgh EH6 6RR

BANKERS

Bank of Scotland, 13 Newkirkgate, Leith, Edinburgh EH6 6AD
Scottish Widows Bank, 67 Morrison Street, Edinburgh EH3 8YJ

LEITH COMMUNITY CENTRE ASSOCIATION - SCIO

REPORT OF THE MANAGEMENT COMMITTEE

YEAR ENDED 31 MARCH 2019

The Committee have pleasure in presenting their report for the year ended 31 March 2019. This report is prepared in accordance with the Association's Constitution and the recommendations of the Statement of Recommended Practice 2015 – Accounting and Reporting by Charities and complies with applicable law.

STATEMENT OF MANAGEMENT COMMITTEE'S RESPONSIBILITIES

Under the Association's Constitution the Management Committee are required to prepare their report and financial statements in accordance with applicable law and regulations for each financial year which show a true and fair view of the state of affairs of the Association and of the surplus or deficit for that year. These are prepared from and are in agreement with the accounting records of The Association.

In preparing those accounts the Committee is required to –

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Association will continue its activities.

The Committee is required to act in accordance with the Constitution of the charity within the framework of the law. It is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the accounts comply with the Charities and Trustee Investment Scotland Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). It has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Leith Community Centre Association SCIO is a registered charity in Scotland (SC047512). It operates under a Constitution drawn up under guidelines provided by the City of Edinburgh Council. Subject to the powers of the organisation in general meetings, the policy and general management is controlled by a committee, the members of which are elected at annual general meetings. This charity was established to replace Leith Community Centre Association (SC005529). Leith Community Centre Association (SC005529) has now wound up and passed its assets and liabilities to Leith Community Centre Association SCIO (SC047512) which is a Scottish Charitable Incorporated Organisation. The charity began trading as Leith Community Centre Association SCIO (SC047512) on 1 April 2018. This now ensures that the new charity has a robust legal status, and limited liability for its Management Committee members.

The Committee has assessed the risks to which the Association is exposed, in particular those related to the operations and finances of the charity, and it is satisfied that systems are in place to mitigate as much as possible the exposure to these risks.

The Charity is controlled by its governing document, a deed of trust, and constitutes a Scottish Charitable Incorporated Organisation.

RISK MANAGEMENT

Our principle risk relates to our relationship with our landlord, The City of Edinburgh Council.

Our landlord continues to seek to change the partnership arrangements which exist between us. Trustees are not always involved in or fully aware of the aspects of the partnership which are being changed and this can often present difficulties for Trustees to effectively manage the organisation and the building. We understand that our lease is to be changed but no timeframe has been given but that Council officers expect to submit a report on the subject to Councillors before the end of 2019. The continued change of partnership arrangements, and the way this is being managed has led to a difficult relationship between Trustees and our landlord.

Trustees remain committed to an honest, transparent, strong and positive working relationship with The City of Edinburgh Council.

OBJECTIVES AND ACTIVITIES

The current objectives of the Association are to promote the educational and recreational development of its members and to maintain and manage the Centre in co-operation with The City of Edinburgh Council within the area of benefit.

ACHIEVEMENTS AND PERFORMANCE

We continue to seek to provide a range of activities and facilities for members, Centre users and the wider community.

We have celebrated our 50th anniversary, funded community learning activities, invested in new Centre equipment and are preparing to renovate our Kinnaird Hall.

We have been forging greater links with other local community organisations and will continue to do so.

FINANCIAL REVIEW

The total income for the year under review was £39,448 (2018: £51,754) and the expenditure was £46,885 (2018: £31,449) giving rise to a deficit of £7,437 (2018: surplus of £20,305). Net Current assets have decreased from £105,939 to £93,115. Capital expenditure of £15,284 (2018: £4,024) was incurred during the year, due to the purchase of a large assortment of Fixtures and Fittings in addition to multiple Laptops/Computer Equipment/sound equipment.

RESERVES POLICY

Trustees have considered the reserves required and has taken into account its current and future liabilities. The Management Committee aims to maintain free reserves in unrestricted funds at a level, which equates to approximately three months of unrestricted charitable expenditure. Trustees consider that this level will provide sufficient funds to cover running costs, any drop in income and any commitment to youth work funding over a three-month period in the event of the dissolution of Leith Community Centre Association SCIO.

The balance held as unrestricted funds at 31 March 2019 was £134,730.

PLANS FOR FUTURE PERIODS

Trustees intend to continue to develop the Centre over the coming year with a view to ensuring that it remains a valuable and useful community asset.

Trustees will continue to develop the building and facilities in order to support existing and future community use. We intend to carry out a refurbishment of our Kinnaird Hall and will extend Centre opening hours to allow further community access. As and when required we will carry out required redecoration of rooms and halls, and replace any worn or damaged equipment. We continue to consider how we can proactively develop our building and facilities by being open to suggestions from staff and Centre users as to what new equipment would benefit our Centre.

Trustees will continue to develop our programme in order to support our community to access educational, healthy living and leisure activities in order to improve their quality of life. We intend to continue to fund educational, healthy living and leisure activities either directly by commissioning new classes and activities, by awarding funding to third party applicants in order to do so or by providing in kind support such as free room and hall hire or making available equipment to groups.

Trustees will continue to work hard to promote the Centre to the community to ensure that as many members of our community as possible are aware of our Centre and its programme offering. We will do this through use of online tools (website, email and social media) as well as through real world marketing such as improving external signage on and around the Centre and producing, publishing and circulating a printed programme of activities throughout Leith.

Trustees will continue to develop local partnership opportunities with community organisations with a view to developing activities which offer a benefit to the partners involved, Centre users and our wider community.

Trustees will continue to develop new occasional and recurring initiatives which help us to meet our charitable objectives. We have begun doing this by instigating the Leith Volunteer Fair, with planning for the next two in progress. We are also instigating a Leith Training & Employability Fair with other initiatives being scoped.

Approved by the Committee and signed on its behalf.

CHAIRPERSON

Date:

INDEPENDENT EXAMINER'S REPORT TO THE COMMITTEE OF LEITH COMMUNITY CENTRE ASSOCIATION - SCIO

I report on the accounts of the charity for the year ended 31 March 2019 which are set out on pages 4 to 9.

Respective responsibilities of committee and examiner

The charity's committee are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's committee considers that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. 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 seeks explanations from the committee concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of 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 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations have 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.

David F Rutherford
Chartered Accountant
Cowan & Partners Ltd
60 Constitution Street
EDINBURGH
EH6 6RR

Date:

LEITH COMMUNITY CENTRE ASSOCIATION - SCIO

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME
AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2019**

	NOTES	Unrestricted Funds 2019 £	Unrestricted Funds 2018 £
INCOME AND ENDOWMENTS FROM			
Investments	2	339	6
Charitable Activities	3	39,109	40,258
Donations and Legacies	4	0	11,490
Total income and endowments		39,448	51,754
EXPENDITURE ON			
Charitable activities	5	46,885	31,449
Total resources expended		46,885	31,449
Net income/(expenditure)		(7,437)	20,305
RECONCILIATION OF FUNDS			
Total funds brought forward		142,167	121,862
TOTAL FUNDS CARRIED FORWARD		134,730	142,167

LEITH COMMUNITY CENTRE ASSOCIATION - SCIO

**BALANCE SHEET
AT 31 MARCH 2018**

	NOTES	2019 £	2018 £
FIXED ASSETS			
Tangible	7	41,615	36,228
		_____	_____
CURRENT ASSETS			
Cash at bank and in hand		93,861	106,635
		_____	_____
CREDITORS	8	(746)	(696)
		_____	_____
NET CURRENT ASSETS		93,115	105,939
		_____	_____
TOTAL ASSETS LESS CURRENT LIABILITIES		134,730	142,167
FUNDS			
Unrestricted funds		134,730	142,167
TOTAL FUNDS		134,730	142,167
		_____	_____

The accounts on pages 4 to 9 were approved by the Committee of Management on
signed on its behalf by –

2019 and are

_____ CHAIRPERSON

_____ TREASURER

LEITH COMMUNITY CENTRE ASSOCIATION - SCIO

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

- a) The financial statements have been prepared in accordance with The Charities Accounts (Scotland) Regulations 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice issued in 2015.
- b) Income is credited to the Income and Expenditure Account/SOFA on receipt.
- c) Expenditure is included on an accruals basis. As the Association is not registered for VAT the expenditure is shown inclusive of VAT which is irrecoverable.
- d) Furnishings and equipment are written off over their useful lives by depreciating on a 15% reducing balance basis.
- e) Computer Equipment are written off over their useful lives by depreciating on a 33% Straight Line basis.
- f) The Association has no separately designated funds for specific purposes.

Leith Community Centre Association (SC005529), and Leith Community Centre Association SCIO (SC047512) merged on 1 April 2018. At this date, all the assets and liabilities were transferred from Leith Community Centre Association (SC005529), to Leith Community Centre Association SCIO (SC047512).

All opening balances and comparative figures in the accounts relate to Leith Community Centre Association (SC 005529) as there was no activity, assets or liabilities in Leith Community Centre Association SCIO (SC 047512) prior to the merger. The merger occurred on the 1 April 2018, and therefore all current year information relate to the newly merged charity Leith Community Centre Association SCIO (SC047512).

All accounting policies for Leith Community Centre Association SCIO (SC047512) remain consistent with Leith Community Centre Association (SC 005529) and no adjustments have been made to align policies.

2. INCOME FROM INVESTMENTS	2019 £	2018 £
Deposit account interest	339	6
3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES	£	£
Rental Income - Halls	29,559	31,508
Café	9,550	8,750
	<u>39,109</u>	<u>40,258</u>
4. INCOMING RESOURCES FROM DONATIONS AND LEGACIES	£	£
Donations and Grants		
11,490		
		<u>11,490</u>

LEITH COMMUNITY CENTRE ASSOCIATION - SCIO

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019**

5. EXPENDITURE ANALYSIS

CHARITABLE ACTIVITIES	2019 £	2018 £
Subcontractor fees	0	288
Repairs	1,840	5,659
CLD Youth Work	6,703	8,081
Subscriptions	1,129	904
Grants	2,000	0
Printing, stationery, advertising and computer expenses	5,745	3,779
Insurance – Trustees Indemnity	570	550
Cleaning	5,216	4,758
50 th Anniversary Event	5,801	0
Entertaining/Gifts	261	341
Sundries/Catering/Refreshments	1,287	0
Clerical support	5,703	0
Bank Charges	0	0
	36,255	24,360
SUPPORT COSTS	£	£
Independent Examiner's fee	732	696
Depreciation	9,898	6,393
	10,630	7,089

6. WAGES

The Association had no direct employees, with cleaning and clerical services provided on a subcontracted basis. No office bearer or committee member receives any remuneration from the Association.

LEITH COMMUNITY CENTRE ASSOCIATION - SCIO

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019**

7. TANGIBLE FIXED ASSETS

Furnishings and Equipment

£

COST

At 01/04/2018

117,793

Additions during year

3,222

Disposals

-

At 31/03/2019

121,015

DEPRECIATION

At 01/04/2018

81,565

Charge for year

5,917

At 31/03/2019

87,482

NET BOOK VALUE

At 31/03/2019

33,533

At 31/03/2018

36,228

LEITH COMMUNITY CENTRE ASSOCIATION - SCIO

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019**

7. TANGIBLE FIXED ASSETS

Computer Equipment

£

COST

At 01/04/2018

0

Additions during year

12,062

Disposals

-

At 31/03/2019

12,062

DEPRECIATION

At 01/04/2018

0

Charge for year

3,980

At 31/03/2019

3,980

NET BOOK VALUE

At 31/03/2019

8,082

At 31/03/2018

0

The premises are leased effectively rent free to the Association by the City of Edinburgh Council who also pay for most of the property related expenses.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

2019
£

2018
£

Other creditors

746

696