

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

**REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020**

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 2020 and since the year end are as follows:-

Michael Traill
Halina Pasiecznik
Dorothy Terhune
Najla Elhaj (Resigned)
Kenny Clacher
Amy Evans (Resigned)
Caroline Leslie (Resigned)
Jane Rule (Resigned)
Lorraine Duckworth (Resigned)

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 2020

The Committee have pleasure in presenting their report for the year ended 31 March 2020. 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 COMMITTEES 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 (SC 047512). 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 (SC 005529). Leith Community Centre Association (SC 005529) has now wound up and passed its assets and liabilities to Leith Community Centre Association SCIO (SC 047512) which is a Scottish Charitable Incorporated Organisation. The charity began trading as Leith Community Centre Association SCIO (SC 047512) 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

Principle risks faced by the Management Committee are:

- (1) The effects of the Covid-19 national health emergency. Due to the pandemic, Leith Community Centre was closed as part of nationwide efforts to reduce transmission of the virus. At the time of writing, there is no date for the Centre re-opening. Although we expect to re-open in phase 3 of the Scottish Governments route map out of lockdown, it is unclear when this will be possible. Continued closure of the Community Centre greatly reduces our income, whilst still incurring some outgoings. This financial situation threatens our ability to work towards our charitable purposes, although we do currently have some reserves to draw up on if required.

At the time of writing this report, it is not possible to give a definitive statement of the total loss of income due to Covid-19 as the pandemic is still ongoing and it is not yet possible to accurately predict when the Community Centre will re-open. Although we would expect the Community Centre to open within the financial year 2020 – 2021, it is not as yet possible to fully understand how much our income will be reduced when we do re-open, because this is likely to be affected by a number of factors which cannot as yet be determined. Although Trustees are unable to predict when the pandemic will end, when we will be able to re-open the Centre and what social distancing and enhanced hygiene measures will be required at the time of re-opening, we are fortunate in that our current level of reserves and planned hall and room hire prices will allow us to meet our obligations for the remainder of the current financial year and beyond.

Trustees continue to monitor income and expenditure and will continue to do so over the remainder of the current financial year. Such monitoring will include reviewing and where appropriate reducing service provision and liabilities in line with any decrease in demand and income. Trustees are aware that if our building re-opens with a requirement of additional hygiene measures, this is likely to result in additional costs. However, in order to meet our obligations and manage costs, we may also limit activities and services within the building.

In the immediate term, Trustees continue to review plans for re-opening to ensure that the building can safely re-open, but should this not be possible the building will remain closed until such time that it can safely be open. Should the building remain closed, our funds would cover existing and expected liabilities for a number of financial years into the future.

- (2) Our relationship with our landlord, the City of Edinburgh Council, continues to present us with challenges. Our landlord has been working to introduce a new lease for many months but has so far not done so, or committed to a timescale for doing so. Our landlord is attributing the current delay to Covid-19. However, even prior to that there were mixed messages of progress / lack of progress. It is important that this issue is resolved as soon as possible. Our landlord also continues to review and change their level of service and commitment to Community Centres. At times these changes are not communicated to us until after the fact, and in some cases we only become aware due to local media.
- (3) Lack of capacity to properly manage both bookings and to develop a broader range of community activities responding to local needs. City of Edinburgh Council have, over several years, provided less paid staffing capacity at all council Community Centres, which has meant a greater burden on volunteers.

OBJECTIVES AND ACTIVITIES

Our charitable purposes are - "The advancement of education" and "The provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended".

Our charity primarily does this through the provision of an effectively managed Community Centre, including funding and organising activities, events and classes to our members and community.

ACHIEVEMENTS AND PERFORMANCE

Over the last year our charity has continued to work to develop & better manage Leith Community Centre, for the benefit of our members, Centre users and the wider community.

We have explored and developed greater partnership working around delivering youth services. We have continued to expand and develop our work around supporting our community to access a range of health, social, educational and wellbeing related activities.

We have also focused on improving how our charity operates internally in terms of Trustee training and preparing our organisation for employing staff and utilising volunteers.

FINANCIAL REVIEW

The total income for the year under review was £50,120 (2019: £39,448) and the expenditure was £48,776 (2019: £46,885) giving rise to a Profit of £1,344 (2019: deficit of £7,437). Net Current assets have decreased from £93,115 to £90,900. Capital expenditure of £13,242 (2019: £15,284) was incurred during the year, due to the purchase of a large assortment of Fixtures and Fittings, and a large refurbishment cost for Improvements to Property.

RESERVES POLICY

Trustees have considered the reserves required and has taken into account its current and future liabilities.

Trustees will maintain free reserves in unrestricted funds at a level which equates to around 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 other financial commitments for three month period in the event of dissolution of Leith Community Centre Association SCIO.

Trustees also maintain reserves to allow for a greater level of investment in the building in the event of our building coming into our ownership, or requiring significant spending on its décor, fabric and installations. By way of example, the current estimate of costs to bring our Sports Hall floor up to the expected standard is around twenty thousand pounds.

Trustees are aware that due to the ongoing Covid-19 pandemic (the full impact of which cannot be determined as it is still an ongoing situation) there may be a reduction in reserves. This is because it is likely that there will be reduction in income over the current financial year (in part due to Centre closure and in part due to reduced occupancy during re-opening phases) coupled with a potential increase in costs depending on social distancing and hygiene requirements which may lead to greater pressure and usage of existing funds held in reserve in our Scottish Widows savings accounts and our Bank of Scotland current account.

The balance held as unrestricted funds at 31 March 2020 was £136,074.

PLANS FOR FUTURE PERIODS

Leith Community Centre is the busiest in Edinburgh, with an estimated 3,000 people using the Centre each week.

Our charity will continue to operate and manage Leith Community Centre in order to provide a building which creates opportunities for our members and community to access a wide range of health, social and education related activities.

Trustees are committed to strong and effective partnerships with our third sector colleagues and will reasonably explore all such opportunities.

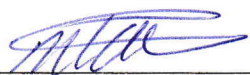
At the time of this report, we are within the 2020 Covid-19 pandemic. This has an immediate impact on our ability to undertake our work, and is expected to have an impact upon our ability to move beyond core service provision both in the short and medium term but also potentially longer term. Therefore, our future plans are aspirational, and will be undertaken as and when resources and funding permit. We do expect to make progress in most areas of our future plans but progress may be carried over into future years.

Trustees will review progress of our aspirations and future plans on a regular basis.

Over the next year Trustees plan to;

- Increase signage on and around the Centre so that people can more easily find us.
- Increase marketing and promotion activity throughout our community.
- Continue to arrange the twice yearly Leith Volunteer Fair.
- Instigate a twice yearly Leith Training and Employability Fair.
- Continue to develop a greater understanding of the Centre's usage.
- Continue to maximise use of the Centre, reducing the amount of hours which our rooms and halls are vacant.
- Seek to increase youth and family activities during school holiday periods.
- Employ a Community Centre Manager to oversee day to day operational matters for which our charity is responsible.
- Employ our own janitors to reduce payments to our landlord, making available more funds to spend elsewhere in the Centre.
- Explore Community Asset Transfer of ownership of our building to us on behalf of our community.
- Continue to work with our landlord towards our new lease being offered.
- Continue Centre refurbishment works as funds permit.

Approved by the Committee and signed on its behalf.



CHAIRPERSON

Date: 14/12/20

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 2020 which are set out on pages 5 to 11.

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: 24 September 2020

LEITH COMMUNITY CENTRE ASSOCIATION - SCIO

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME
AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2020**

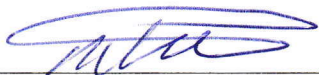
	NOTES	Unrestricted Funds 2020 £	Unrestricted Funds 2019 £
INCOME AND ENDOWMENTS FROM			
Investments	2	235	339
Charitable Activities	3	49,643	
39,109			
Donations and Legacies	4	242	0
Total income and endowments		50,120	39,448
EXPENDITURE ON			
Charitable activities	5	48,776	
46,885			
Total resources expended		48,776	
46,885			
Net income/(expenditure)		1,344	
(7,437)			
RECONCILIATION OF FUNDS			
Total funds brought forward		134,730	142,167
TOTAL FUNDS CARRIED FORWARD		136,074	134,730

LEITH COMMUNITY CENTRE ASSOCIATION - SCIO

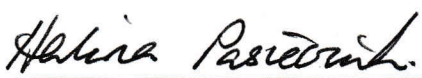
BALANCE SHEET
AT 31 MARCH 2020

	NOTES	2020 £	2019 £
FIXED ASSETS			
Tangible	7	45,174	41,615
CURRENT ASSETS			
Cash at bank and in hand		91,682	93,861
CREDITORS	8	(782)	(746)
NET CURRENT ASSETS		90,900	93,115
TOTAL ASSETS LESS CURRENT LIABILITIES		136,,074	134,730
FUNDS			
Unrestricted funds		136,074	134,730
TOTAL FUNDS		136,074	134,730

The accounts on pages 6 to 12 were approved by the Committee of Management on 14/12 2020
and are signed on its behalf by –



CHAIRPERSON



TREASURER

LEITH COMMUNITY CENTRE ASSOCIATION - SCIO

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

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 Centre 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) Improvements to Property are depreciated on a 15% Reducing Balance basis.
- g) The Centre has no separately designated funds for specific purposes.

Leith Community Centre Association (SC 005529), 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 (SC 005529), to Leith Community Centre Association SCIO (SC 047512).

2. INCOME FROM INVESTMENTS	2020	2019
	£	£
Deposit account interest	235	339

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES	£	£
Rental Income - Halls	40,043	29,559
Café	9,600	9,550
	<u>49,643</u>	<u>39,109</u>

4. INCOMING RESOURCES FROM DONATIONS AND LEGACIES	£	£
Donations and Grants	242	0
	<u>242</u>	<u>0</u>

LEITH COMMUNITY CENTRE ASSOCIATION - SCIO

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

5. EXPENDITURE ANALYSIS

CHARITABLE ACTIVITIES	2020 £	2019 £
Subcontractor fees	0	
Repairs	2,838	1,840
CLD Youth Work	900	6,703
Subscriptions	994	1,129
Grants	0	2,000
Printing, stationery, advertising and computer expenses	6,643	5,745
Insurance – Trustees Indemnity	1,371	570
Cleaning	7169	5,216
50 th Anniversary Event	0	5,801
Entertaining/Gifts	0	261
Professional fees	490	0
Bookkeeping	720	0
Furniture Hire	1378	0
Training	558	0
Sundries/Catering/Refreshments	3,138	1,287
Clerical & janitorial support	12,126	5,703
Bank Charges	0	0
	38,325	
 SUPPORT COSTS	 £	 £
Independent Examiner's fee	768	732
Depreciation	9,683	9,898
	10,451	10,630

6. WAGES

The Centre 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 Centre.

LEITH COMMUNITY CENTRE ASSOCIATION - SCIO

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020**

7. TANGIBLE FIXED ASSETS

Furnishings and Equipment

	£
COST	
At 01/04/2019	121,015
Additions during year	3,820
Disposals	-
At 31/03/2020	124,836
DEPRECIATION	
At 01/04/2019	87,482
Charge for year	5,603
At 31/03/2020	93,085
NET BOOK VALUE	
At 31/03/2020	31,750
At 31/03/2019	33,533

LEITH COMMUNITY CENTRE ASSOCIATION - SCIO

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020**

7. TANGIBLE FIXED ASSETS

Computer Equipment

£

COST

At 01/04/2019

12,062

Additions during year

Disposals

-

At 31/03/2020

12,062

DEPRECIATION

At 01/04/2019

3,980

Charge for year

2,667

At 31/03/2020

6,647

NET BOOK VALUE

At 31/03/2020

5,415

At 31/03/2019

8,082

LEITH COMMUNITY CENTRE ASSOCIATION - SCIO

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020**

7. TANGIBLE FIXED ASSETS

Improvements to Property

	£
COST	
At 01/04/2019	-
Additions during year	9,422
Disposals	-
At 31/03/2020	9,422
DEPRECIATION	
At 01/04/2019	-
Charge for year	1,413
At 31/03/2020	1,413
NET BOOK VALUE	
At 31/03/2020	8,009
At 31/03/2019	

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

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Other creditors	782	746