

Arena Community
Registered Charity Limited
By Guarantee
REPORT AND
FINANCIAL STATEMENTS
For the year ended 31 March 2010

Charity Number 1115569
Company Number 5116407

MONDAY



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**Arena Community
Registered Charity Limited by Guarantee**

**Financial Statements
for the year ended 31 March 2010**

Legal and Administrative Information	1
Report of the Trustees	2 - 4
Independent Examiners Report	5
Statement of Financial Activities	6
Balance Sheet	7
Notes forming part of the Financial Statements	8 - 9

**Arena Community
Registered Charity Limited by Guarantee**

Report of the Trustees for the year ended 31 March 2010

The Trustees present their report and financial statements for the year ended 31 March 2010

Reference and Administrative Information

CHARITY NAME:	Arena Community
TRUSTEES OF THE CHARITY WHO ALSO SIT ON THE BOARD OF GOVERNORS AND ARE DIRECTORS OF THE COMPANY:	A Simpson K Thorpe (resigned 19 11 09) C Hobson (resigned 19 11 09) P Pye (appointed 19 11 09) S Marshall (appointed 19 11 09)
SECRETARY:	S Marshall
REGISTERED OFFICE:	22-26 Nottingham Road Stapleford Nottingham NG9 8AA
OPERATIONAL ADDRESS:	1 Rutland Street, Ilkeston, Derbyshire DE7 8DG
REGISTERED COMPANY NUMBER:	5116407(England & Wales)
REGISTERED CHARITY NUMBER:	1115569
INDEPENDENT EXAMINER:	LING PHIPP Chartered Accountants Cliffe Hill House 22-26 Nottingham Road Stapleford Nottingham NG9 8AA
BANKERS:	Nat West Plc Ilkeston Branch 42 Bath Street Ilkeston Derbyshire DE7 8HF
SOLICITORS:	S Marshall Robinsons St James Court Friar Gate Derby DE1 1BT

**Arena Community
Registered Charity Limited by Guarantee**

Trustees' Report for the year ended 31 March 2010 continued

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, not having a share capital and having obtained exemption under Section 60 of the Companies Act 2006 to dispense with the word limited as part of the company name. The company was incorporated on 29 April 2004 and registered as a charity on 25 July 2006.

The company was established under a Memorandum of Association which established the objectives and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Change of Name

On the 25 November 2009 the Arena in Ilkeston changed its name to Arena Community.

Recruitment and Appointment of Management Committee

The directors of the company are also charity trustees for the purposes of Charity Law and under the company's Articles are known as members of the management committee. Under the requirements of the Memorandum and Articles of Association the members of the management committee are elected to serve for a period of two years after which they must be re-elected at the next Annual General Meeting.

Trustee Training

The trustees have served for a considerable period of time not only with this charity but are also involved with other charities as directors and trustees and are familiar with the practical work of this charity and their responsibilities as trustees.

Risk Management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Organisational Structure

Arena Community has a board of three trustees. They meet on a regular basis to review current issues and at these meetings decisions concerning the running of the charity are made. A full record of all meetings is kept.

Public Benefit

The trustees have begun work within the community through the use of the charity shop to support local activities. The trustees confirm that they have complied with their duties under section 4 of the 2006 Charity Act with regard to public benefit.

Objectives and Activities

The Charity's objectives and principal activities are to develop the capacity and skills of the members of the socially and economically disadvantaged community of Ilkeston, Derbyshire, in such a way that they are better able to identify, and meet, their needs and to participate more fully in society.

**Arena Community
Registered Charity Limited by Guarantee**

Trustees' Report for the year ended 31 March 2010 Continued

Related Party

Arena Community is a charitable company set up to support the work of its trading company known as Anera Enterprises Ltd of which it owns the whole of the share capital

The Arena Community also has links with Arena Church whose members and trustees support the work of the charity by way of donation and help

Achievements and Performance

Arena Community was set up by a group of people from many different professional backgrounds and gained charity status in July 2006. The purpose of the charity is to help, assist, educate and support local needs in the community

It has been a good year for the charity as we opened our first charity shop. In August 2009 we obtained a property on a three year lease, which we fitted out and in September opened Arena Hope. We employed Sean Cumberland on a full time basis as the Charity Shop Manager, whose background is in retail. We have since employed David Crabtree to cover Sean's day off in the week and annual holidays. Sean has employed a team of volunteers to staff the shop. They do a variety of roles including sorting and preparing clothes and merchandise for sale and serving on the shop floor.

In November at the Christmas lights switch on at Ilkeston, we served free drinks and biscuits from the frontage, which was well received by the public.

We had originally set up the layout to include a coffee shop area and in February 2010 this was opened. It is manned by paid staff from Anera Enterprises Ltd, as well as volunteers.

The whole dynamics has worked very well and it is our intention to open more charity shops in other locations in the area.

Financial Review

The attached financial statements show the current state of the finances. The company had net incoming resources during the year of £25,253. The company's revenue general fund balance is a deficit of £(8,379) at 31 March 2010. There is a loan outstanding to Arena Church of £13,014 not due by any planned repayment date. The company's deficit for the year totalled £(8,793) (£1,882 2009).

The Board of Trustees consider the current state of the company's finances to be sound.

Reserves Policy

It is the policy of the trustees to build up and maintain unrestricted reserves of £10,000.

Plans for the Future

Short Term Aims

Our aim was to launch a food bank in Ilkeston to help people who have no food on a short term basis. This has now happened. A portacabin has been purchased to house stocks of food and toiletries. The food bank is opened twice a week on a Tuesday and Friday and people in need will be supplied with a food parcel, as well as some basic toiletries, which will feed them for three days. We are working with various agencies in the town who will refer their clients who are in need of food.

**Arena Community
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Trustees' Report for the year ended 31 March 2010 Continued**

We are working in partnership with Arena Church (charity 1052643) and are also looking to engage the support of other local charities, businesses and schools from within the community to help sustain and increase the impact of the food bank project

To open or at least have properties for two more charity shops during the financial year April 2010 – March 2011

Long Term Aims

To build up a portfolio of charity shops around the locality

To launch food banks from other locations within Ilkeston

To launch a food bank in Mansfield

Responsibilities of the Trustees

Company Law requires the management committee to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the Balance Sheet date and of its incoming resources and application of resources, including income and expenditure for the financial year. In preparing those financial statements, the management committee should follow best practice and

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis

The management committee is responsible for maintaining 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. The management committee is 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

Members of the Board of Trustees

Members of the management committee, who are directors for the purpose of Company Law and trustees for the purpose of Charity Law, who served during the year and up to the date of this report are set out on page 1

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2010 was three (31 March 2009 - three)

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the Special Provisions of Part 15 of the Companies Act 2006 relating to small entities

On behalf of the Board of Trustees

Signature 
Trustee and Director of the Company

(A Simpson)

Dated

7.12.10

**Arena Community
Registered Charity Limited by Guarantee**

Independent examiner's report to the Trustees of Arena Community

I report on the accounts of the company for the year ended 31 March 2010, which are set out on pages 6 to 7

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

- examine the accounts under section 43 of the 1993 Act,
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 43(7)(b) of the 1993 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 the seeking of 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

- which gives me reasonable cause to believe that, in any material respect, the requirements
 - (a) to keep accounting records in accordance with section 386 of the Companies Act 2006, and
 - (b) to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005) have not been met, or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

Mrs D J Lockwood
Ling Phipp Chartered Accountants
Cliffe Hill House
22-26 Nottingham Road
Stapleford
Nottingham
NG9 8AA

DJ Lockwood

Date 8 12 2010

**Arena Community
Registered Charity Limited by Guarantee**

Statement of Financial Activities (Including Income and Expenditure Account)

For the year ended 31 March 2010

	<u>Notes</u>	<u>Unrestricted</u> <u>Funds</u> <u>2010</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>2010</u> <u>£</u>	<u>Total</u> <u>Funds</u> <u>2010</u> <u>£</u>	<u>Total</u> <u>Funds</u> <u>2009</u> <u>£</u>
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income					
Shop Sales		23,403	-	23,403	-
Other Income		873	-	873	-
Donations including Gift Aid		977	-	977	(820)
TOTAL INCOMING RESOURCES		25,253	-	25,253	(820)
RESOURCES EXPENDED					
Charitable activities	2	27,420	-	27,420	1,000
Governance costs	2	6,626	-	6,626	62
TOTAL RESOURCES EXPENDED	2	34,046	-	34,046	1,062
NET INCOMING/(NET OUTGOING) RESOURCES FOR THE FINANCIAL YEAR		(8,793)	-	(8,793)	(1,882)
TRANSFER BETWEEN FUNDS		-	-	-	-
RECONCILIATION OF FUNDS TOTAL FUNDS BROUGHT FORWARD		414	-	414	414
TOTAL FUNDS CARRIED FORWARD		(8,379)	-	(8,379)	2,296

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

**Arena Community
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Balance Sheet as at 31 March 2010

	Notes	31.03.10		31.03.09	
		£	£	£	£
FIXED ASSETS:					
Tangible Assets	3		5,881	-	
CURRENT ASSETS:					
Debtors & prepayments		-		-	
Cash at Bank and in Hand		3,145		414	
		<u>3,145</u>		<u>414</u>	
CREDITORS Amounts falling due within one year					
Sundry Creditors		4,391		-	
		<u>(4,391)</u>		<u>-</u>	
NET CURRENT ASSETS/(LIABILITIES):			4,635		414
LOAN – repayable after 12 months			(13,014)		-
Arena Church					
NET ASSETS		£	<u>(8,379)</u>	£	<u>414</u>
TOTAL FUNDS – UNRESTRICTED		£	<u>(8,379)</u>	£	<u>414</u>

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ending 31 March 2010

No notice has been deposited under Section 476 of the Companies Act 2006 in relation to its financial statements for the financial year

The Directors acknowledge their responsibilities for

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

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD:

A Simpson

Trustee and Director – A Simpson

Approved by the Directors who are the Trustees of the Charity on

7 12 10

**Arena Community
Registered Charity Limited by Guarantee
Notes to the Financial Statements
For the year ended 31 March 2010**

1. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), the Companies Act 2006 and the Statement of Recommended Practice Accounting and Reporting by Charities issued in March 2005

b) Incoming Resources

Represents charity shop sales, donations and Gift Aid reclaims All donations and sales are included in full in the Statement of Financial Activities when receivable The value of services by volunteers has not been included in these accounts

c) Resources Expended

Expenditure is recognised on an accruals basis as a liability is incurred

Expenditure includes VAT which is not recoverable

- 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 directly allocated 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 fees and costs linked to the strategic management of the charity
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource

d) Interest Receivable

Interest is included when receivable by the Charity

Fund Accounting

Unrestricted Funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds

Designated Funds

Designated funds are unrestricted funds earmarked by the management committee for particular purposes

Restricted Funds

Restricted funds are to be used for specific purposes as laid down by the donor Expenditure, which meets these criteria, is charged to the fund, together with a fair allocation of management and support costs

**Arena Community
Registered Charity Limited by Guarantee**

**Notes to the Financial Statements
For the year ended 31 March 2010 continued**

2. Resources Expenses

	Charitable Activity	Governance Costs	Total
Purchases for resale – sale costs	3,665		3,665
Refuse Collection	54		54
Light & Heat	1,351		1,351
Water Rates	70		70
Rent	5,280		5,280
Telephone	326		326
Staff Wages & NIC	11,601		11,601
Sundry Costs	607	67	674
Postage & Stationery	78	8	86
Repairs & Renewals	2,028	225	2,253
Cleaning	66		66
Insurance	770		770
Legal Fees		946	946
Travel Costs	54		54
Accountancy Fees		1,424	1,424
Consultancy Fees		4,023	4,023
Bank Charges		(67)	(67)
Depreciation	<u>1,470</u>		<u>1,470</u>
	<u>27,420</u>	<u>6,626</u>	<u>34,046</u>

The notes form part of these financial statements

**Arena Community
Registered Charity Limited by Guarantee**

**Notes to the Financial Statements
For the year ended 31 March 2010 continued**

3. Fixed Assets

	Equipment	Fixtures & Fittings
Addition	3,738	3,613
Depreciation in the year	<u>(748)</u>	<u>(722)</u>
	<u>2,990</u>	<u>2,891</u>

4. Management and Administration costs

	2010 £	2009 £
Average Number of Paid Employees in the Year	<u>1</u>	<u>NIL</u>

No employee received emoluments of more than £60,000 in the year

5. Emoluments of Trustees

No emoluments were received by the Trustees either in their capacities as Trustees or as members of the Board of Governors

There were no other emoluments or expenses paid to any charity trustee or persons connected with such a trustee directly or indirectly from the funds of the Company or from the property of any institution or body corporate connected with the Company

Mr Kristian Thorpe who for part of the year was a trustee, received consultancy income from the charity Mr Thorpe ceased to act as a trustee of the charity on 19 November 2009

6. Taxation

The Company is a registered Charity and as such no taxation is payable on the excess of income over expenditure

All income generated by the charitable shop is regarded as non – primary purpose trading, generating funds to support its charitable work alone

7. Movement in Total Funds for the year

	2010 £	2009 £
Reporting Accountants' Fees	998	213

The notes form part of these financial statements

Arena Community
Registered Charity Limited by Guarantee

Notes to the Financial Statements
For the year ended 31 March 2010 continued

8. Limited Liability

Arena Community is a company limited by guarantee and every member undertakes to contribute such an amount, not exceeding one pound as may be required in the event of the company being wound-up while he is a member, or within one year after he ceases to be a member, for payment of debts and liabilities of the company and the cost of winding-up

9. Related Party

Arena Community is a charitable company set up to support the work of its trading company known as Anera Enterprises Ltd of which it owns the whole share capital. The charity operates from premises owned by Arena Church – the costs for this are not quantified.

During the year there has been the following transactions between the Arena Church and the charity -

Donation of £213

Restricted fund balance - Donated solely for the set up of the Arena Community. Balance of donation and gift aid received £525

Loan of £13,014 - All outstanding at the year end date with no specified repayment date

Mr K Thorpe who was a trustee during the year is also appointed as minister and trustee of the Arena Church

10. Future Commitments

The charity shop opened on the 2nd August 2009 and has a three year lease, which is at a cost per annum of £9,360

11. Investment in subsidiary

The charity wholly owns a subsidiary Anera Enterprises Ltd and the charity holds the issued ordinary shares in the company representing 100% of the equity of the company. The principal activity of Anera Enterprise Ltd is the operation of a conference centre, room hire, events and coffee shops. A summary of the results of the subsidiary is shown below

	2010	2009
	£	£
Turnover	154,420	147,059
Cost of sales	36,895	351,542
Gross profit	117,525	111,517

The aggregate of the assets, liabilities and funds was

Assets	47,697	48,742
Liabilities	18,601	17,981
Funds (representing 1 ordinary share of £1 each)	29,096	30,761

Investment in subsidiary at cost

1 Ordinary share of £1 each	1	1
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The notes form part of these financial statements

**Arena Community
Registered Charity Limited by Guarantee**

**Notes to the Financial Statements
For the year ended 31 March 2010 continued**

12. Group Accounts

The company has taken advantage of examples provided by the Companies Act 2006 in not preparing Group Accounts on the basis that the group qualifies as a small group

The notes form part of these financial statements