

Arena Community

**Registered Charity Limited
By Guarantee**

**REPORT AND
FINANCIAL STATEMENTS**

for the Year Ended 31 March 2017

**Charity Number 1115569
Company Number 5116407**

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Arena Community
Registered Charity Limited by Guarantee

Report of the Trustees for the year ended 31 March 2017

Chairs Report

As Chair of Arena Community Trustees it is a delight to present the latest accounts of the charity that continue to reflect its growth and reach. We forever remind ourselves that the primary goal of all that takes place is to impact people's lives in a positive way. The accounts reflect the incredible hard work of so many to do just that

The Trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2017 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS102 (effective 1 January 2015)).

Our Purposes

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 communities in Derbyshire and Nottinghamshire, in such a way that they are better able to identify and meet their needs and to participate more fully in society.

Public Benefit

The food bank operates on Tuesday and Fridays at our Community Hub on Belfield Street. It gives out food parcels with sufficient food to cover three days worth of meals as well as serving a hot meal to its clients. There is also a furniture store operating where people can purchase second hand furniture at affordable prices or, where necessary, clients will be given furniture to help them. With the growing awareness of food poverty we are getting more donations from local businesses and organisations.

We continue to work closely with Arena Church (charity no 1052643) but we actively seek the support of other local agencies, charities, businesses, schools and councils in order to sustain and increase the impact of the foodbank operation.

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.

Arena Community also has links with Arena Church whose members and trustees support the work of the charity by way of donation and help. At Christmas all staff and volunteers were invited to the Dream Team Christmas party.

Achievements and Performance

Charity Shops

In October Arena Hope was decorated and with the closure of the coffee shop at the rear of the property, we have been able to utilise the space and introduce larger, higher ticket items of furniture. This has resulted in an uplift in sales. We would hope to bring further increase with the introduction of sales via Ebay and social media and taking credit/debit card payments. The roof is not in good repair so the landlord is looking to replace it completely during the summer.

Although Open Door is only a small shop, it continues to trade well. There are always donations coming in and it is a social point for the local residents, some of which visit several times a day. In December the shop were part of the annual Christmas event on Ladybrook Square where carols were sung, drinks and mince pies were given out. The staff also supported Children in Need by dressing up in fancy dress.

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Report of the Trustees for the year ended 31 March 2017

Leeming Street

We have now been able to employ Louise Richardson, as Community Co-ordinator at the building. She is involved with connecting with different agencies in order that we may be able to get involved in community outreach. Care For a Coffee has been launched, whereby people can pop in for a drink and a chat.

A bid for Lottery funding had been submitted on our behalf by Sean Tully, Fruitful Funding, but this was declined. However we had submitted an application to Nottinghamshire County Council for funding to convert the back of the building. This was successful and we will receive a total of £45,000 in several stages as different phases of the work are completed. We are hoping to create a kitchen, a large room and a small room, toilets and a separate access from the garage so that the building does not have to be opened. Also the boiler room will be removed.

During the year we have undertaken some maintenance. Further work has been completed on the roof and we have refurbished the lower level men's toilets. We have also painted the main auditorium.

Community Hub

Our community operation from the hub contains to grow and there are over 70 volunteers who work.

Flourish

The garden continues to be overseen on our behalf by Wash Arts, which is a community-led arts organisation based in Ilkeston. Their volunteers tend the garden and produce harvested is brought to the Hub for use in the foodbank's kitchen. During the summer, they held an open day to the general public who were able to look around and they had several stalls selling cakes and drinks, the proceeds of which went to Arena Community.

Furniture Store

Donations to the furniture store have increased with the purchase of the delivery van. We are therefore able to provide furniture to The Project and Arena Hope as well as keeping the furniture store at the Hub stocked and running with suitable goods. We provide a delivery service for all three enterprises as well as collections, which means we have a healthy stock of goods to keep putting out for sale.

Foodbank

We still continue to offer a service on Tuesdays and Fridays but the demand for the foodbank service is increasing in light of the changes in benefit payments. More people are accessing both parcels and the hot meal. Over the year we have given out 979 adult parcels and 266 children's parcels, we had 208 new clients and 3352 hot meals were served. We provided 131 Christmas meals during the week prior to Christmas.

In the run up to Christmas a local lady, Alannah Biggs ran a campaign via social media to collect as many items for the foodbank. She collected a total of 5800 items which significantly helped to replenish the stocks of the foodbank prior to this busy time of year.

Food Drive

Our food drive team continues to undertake regular bag packs and bucket collections at the local supermarkets. Wearing their green t-shirts, they have certainly raised the profile of our foodbank and the work we undertake. During the year we have connected with another local store where we are now able to do bag packs. We also have a team who have a table at the local hospital from which they sell bric-a-brac, toys, games and jewellery. However we are now only able to have the table on a fortnightly basis, so we have seen a drop in funds raised via this method. However our team of volunteers are very passionate about fund raising and so have been attending local car boots and carnivals in order to counteract the decrease here.

**Arena Community
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Report of the Trustees for the Year Ended 31 March 2017 (Continued)

Acorns

In August 2016, the leaders were able to take a group of children to Condover Hall, Shropshire, an activities centre, for a residential stay of two nights. Fund-raising had taken place which enable this to happen

At Christmas they held a party for the children who each received a gift which had been donated by the Rotary Club Ilkeston. Toys were also given to Acorns from one of the local churches.

One of the minibuses has been scrapped and the other one will need to be replaced in the near future, so we will be looking for a new minibus in the next financial year.

Prison Outreach

Arena Community has a team of volunteers who take the time to visit individuals in local prisons. They are able to console and talk to those who may not have anyone visit them whilst they serve their sentence. We have contact with former foodbank clients who may be in prison, giving the individual a friendly face to talk and confide in.

Alongside this we have a group of penpals who write to prisoners, discussing the news and hobbies. Most become true friends and often support each other when the prisoner is released.

59% of prisoners re-offend in the first 12 months after their release - our aim is to give them hope whilst they are in prison and help them with not reoffending when they are released.

Connections have been made with HMP Nottingham prison and we are working with their resettlement team and the chaplaincy.

Street Ministry

In June we launched our street ministry which is aimed at engaging with children on the street. We were able to use the minibus to transport them to the Hub where the team played games and chatted to them. We would like to find small premises where we can run this from.

Follow up programme

The Community Hub continues to offer a follow up programme for those who need help in other areas than foodbank or furniture store. We support those who are homeless and where appropriate we can assist clients in accessing local services and contacting the local authorities; liaising with mental health workers. The Hub also offers an escorting/advocacy service assisting clients with official interview with agencies such as the police.

Follow up programme

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Supported Living

We now have a portfolio of four houses which at present accommodate nine adults - two houses for women and two for men. We have also strengthened the support team with the addition of two volunteers, Bob and Mandy Tye, who spend time with the tenants and assist Debbie and Amelia. We have made contact with an employee at HMP Nottingham who has visited our scheme and who is willing to refer potential tenants for our accommodation. We are hoping to create a further room in one of the properties to increase the number of tenants to ten. We would like to rent out flats which would be suitable for those tenants that have been with us a while and who are ready to move on to more independent living.

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Report of the Trustees for the Year Ended 31 March 2017 (Continued)

The Project

During 2016 we were able to refurbish the ground floor at the old Woolworths building, as a result of receiving funding of £100k from Erewash Borough Council. We have located a retail area, which sells restored and shabby chic furniture, pre-owned clothing, soft furnishings, candles and toiletries, and The Workshop Cafe which seats around 40 people. The store was opened on 9 January 2017 and on 6 February the official launch took place where there was a ribbon cutting ceremony, performed by Dennis Bell of Wards Recycling and a local councillor. It was attended by supporters of Arena Community and representatives from trades and businesses who had helped with the refurbishment. We now need to source funding to refurbish the first floor to provide workshop space and classrooms to help us develop the next phase of The Project. We are planning to link up with a local college so that we are able to teach practical skills as well as Maths and English to those who are unemployed, or who may need retraining to enable them to go into full time employment. We would also like to apply for an apprenticeship for one of our young volunteers who helps with the furniture restoration.

Financial Review

The attached financial statements show the current state of the finances. The company had net incoming resources during the year of £356,029. The company's revenue general fund balance is a balance of £(29,791) at 31 March 2017 ((£40,075) at 31 March 2016). There is a loan outstanding to Arena Church of £20,000. The company's overall position for the year totalled £84,114 (2016: (£33,091)).

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. This has not happened during the financial year, but we are taking steps to address this.

The aim is to have 2-3 months running costs available and the team are working towards putting firmer budgets in place, identify any areas where we can increase income realistically and also restrict non-essential spending in order that this 'pot' can be built up.

Plans for the Future

Short Term

- To further increase sales at both Arena Hope and Open Door via the use of social media/Ebay
- To increase income via the introduction of the Gift Aid scheme in our retail operations
- To train the Mansfield Community Co-ordinator in our procedures and operations with a view to implementing a proposal system for future initiatives eg code of conduct, safeguarding
- To partner with the Rotary to launch Budget in a Box cooking scheme which is aimed to teach people on a low income how to shop, cook and budget
- To obtain funding to purchase a minibus for Acorns
- To apply for funding to enable to open a bike repair workshop at the Hub
- To increase sponsors of the 1000 Club to raise funds for the Hub
- To refurbish the back of Leeming Street with the grant money from Notts County Council
- To apply for an apprenticeship to help with our furniture restoration programme at Project
- To pay off outstanding loans

Longer Term

- To secure funding for the refurbishment of the first floor at The Project to turn into training workshops
- To work with local colleges to offer training opportunities for people of 18-25 years for which we will seek funding
- To secure funding for the further refurbishment and development of Leeming Street
- To increase our portfolio of housing for supported living accommodation, either by renting or purchasing follow-on flats
- To develop a retail operation to sell furniture and clothing via the internet
- To investigate the possibility of streamlining clothing donations from the charity shops into a central sorting area
- To formulate a business plan to assist with the future growth of the work and sustainability of the charity

**Arena Community
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Report of the Trustees for the Year Ended 31 March 2017 (Continued)

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 P Pye S Marshall S Scrimshaw (resigned 31 March 2017)	
SECRETARY:	S Marshall	
REGISTERED OFFICE:	22-26 Nottingham Road Stapleford Nottingham NG9 8AA	
OPERATIONAL ADDRESS:	1 Rutland Street, Ilkeston, Derbyshire DE7 8DG	
CHARITY SHOP ADDRESSES:	Hope Charity Shop 22-24 Market Place Ilkeston Derbyshire DE7 5QA	Open Door Charity and Coffee Shop 6 Ladybrook Place Mansfield Nottinghamshire NG18 5JP
COMMUNITY BUILDING	Community Hub Unit 1, Belfield Street Ilkeston Derbyshire DE7 8DU	
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	Santander UK Plc BBA Bridle Road Bootle Merseyside M30 4GB
SOLICITORS:	S Marshall Geldards Dumfries House Dumfries Place Cardiff CF10 3ZF	

**Arena Community
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Report of the Trustees for the Year Ended 31 March 2017 (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.

**Arena Community
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Report of the Trustees for the Year Ended 31 March 2017 (Continued)

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 2017 was three (31 March 2016 - four).

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.....*A Simpson*.....(A Simpson) Dated.....*19/12/17*.....

Trustee and Director of the Company

**Arena Community
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Independent Examiner's report to the Trustees of Arena Community

I report on the charity trustees on my examination of the accounts of the company for the year ended 31 March 2017.

Responsibilities and Basis of Report

As the charity's trustees of the Company (and also its directors for the purpose of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:-

- 1) Accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- 2) The accounts do not accord with those records; or
- 3) The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirements that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4) The accounts have not been prepared in accordance with the methods and principles of the Statement of recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

D. J. Lockwood
D J Lockwood ACA, FCCA ATT
Chartered Accountant

Dated 21.12.2017

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

**Arena Community
Registered Charity Limited by Guarantee**

Statement of Financial Activities (Including Income and Expenditure Account)

for the Year Ended 31 March 2017

		Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017	Unrestricted Funds 2016	Restricted Funds 2016	Total Funds 2016
	Notes	£	£	£	£	£	£
INCOME							
Income from							
Charitable Activities	2	198,407	104,632	303,039	135,205	13,031	148,236
Donations and Legacies	2	9,176	-	9,176	6,033	737	6,770
Other	2	43,814	-	43,814	38,276	-	38,276
TOTAL INCOMING RESOURCES		251,397	104,632	356,029	179,514	13,768	193,282
EXPENDITURE							
Fundraising Costs		430	-	430	3,165	-	3,165
Charitable Activities	3	239,983	31,502	271,485	211,070	12,138	223,208
TOTAL RESOURCES EXPENDED		240,413	31,502	271,915	214,235	12,138	226,373
NET INCOME / (EXPENDITURE) FOR THE FINANCIAL YEAR		10,984	73,130	84,114	(34,721)	1,630	(33,091)
TRANSFER BETWEEN FUNDS	15	-	-	-	-	-	-
RECONCILIATION OF FUNDS							
TOTAL FUNDS BROUGHT FORWARD		(40,775)	18,188	(22,587)	(6,054)	16,558	10,504
TOTAL FUNDS CARRIED FORWARD	15	(29,791)	91,318	61,527	(40,775)	18,188	(22,587)

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 2017

	Notes	31 March 2017 £	31 March 2016 £
FIXED ASSETS:			
Tangible Assets	4	289,262	228,571
CURRENT ASSETS:			
Debtors and prepayments		26,691	21,791
Cash at Bank and in Hand		3,415	2,960
Investment in Subsidiaries	12	2	1
Intercompany Account – The Project Ilkeston Ltd		23,266	-
		<u>53,374</u>	<u>24,752</u>
CREDITORS: Amounts falling due within one year			
Sundry Creditors		31,284	22,993
Kingdom Bank Mortgage	4	13,984	14,076
Intercompany Account - Anera Enterprises Limited		21,404	16,390
Loan - Arena Church	10	17,872	9,485
Loan - Arena Church		20,000	66,500
		<u>104,544</u>	<u>129,444</u>
NET CURRENT ASSETS/(LIABILITIES):		(51,170)	(104,692)
LOAN – repayable after 12 months			
Kingdom Bank Mortgage	4	(176,565)	(146,466)
NET ASSETS		<u>£ 61,527</u>	<u>£ (22,587)</u>
THE FUNDS OF THE CHARITY			
Unrestricted	15	(29,791)	(40,775)
Restricted		91,318	18,188
TOTAL CHARITY FUNDS		<u>£ 61,527</u>	<u>£ (22,587)</u>

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ending 31 March 2017.

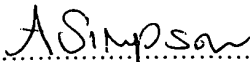
No notice has been deposited under Section 476 of the Companies Act 2006 in relation to its financial statements for the financial year.

The Directors acknowledge their responsibilities for:

- ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the 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:


Trustee and Director – A Simpson

Approved by the Directors who are the Trustees of the Charity on 19.12.17

**Arena Community
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**Notes to the Financial Statements
for the Year Ended 31 March 2017**

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

a) Basis of Preparation

The financial statements have 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 (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Arena Community meets the definition of a public benefit entity under FRS102.

Reconciliation with Previously Generally Accepted Accounting Practice

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by the FRS102 and the Charities SORP FRS102 the restatement of comparative items was required.

No restatement was required.

Going Concern

One of the main areas we had identified as a going concern was the need to reduce our restricted funding where possible as this was impacting our cash flow. The finance department have put measures in place to ensure any restricted funding is allocated immediately or as soon as possible. This will reflect in the year end accounts 2017-2018.

b) Incoming Resources

Represents charity shop sales, donations specifically for the Foodbank Project, Mansfield and Community Projects 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 or the value of items gifted for resale at the charity shop. Amounts annually are donated by Anera Enterprises Ltd the shares of this company are held entirely by this charity (see note 10).

Donations of food are made by both church members and local businesses for the “foodbank” project. It is not possible to quantify or value these gifts.

Any known incoming resources yet to be received relating to the period before the year end date are included as debtors.

Donated Services and Facilities

Donated services or facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt

The notes form part of these financial statements

**Arena Community
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**Notes to the Financial Statements
for the Year Ended 31 March 2017 – (continued)**

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.
- Liabilities recognised as due at the year end date but at that point not paid are included as creditors.

d) Interest Receivable

Interest is included when receivable by the Charity.

e) Fixed Assets

These are applied if they have a life expectancy exceeding one year. They are valued at cost, or if gifted at the value to the charity on receipt. Depreciation is provided at the following rates in order to write off each asset over its useful life.

Land and Buildings (Leeming Street) -not provided
Plant and Office Equipment – 20% reducing balance
Fixtures and Fittings – 20% reducing balance
Motor Vehicle – 25% of cost
Property Improvements– 10 years on cost

No depreciation is charged on land and buildings as the residual value is believed to be higher than historical cost.

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.

Legal Status of the Trust

The Trust is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

The notes form part of these financial statements

**Arena Community
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**Notes to the Financial Statements
for the Year Ended 31 March 2017 (continued)**

2. Income

		Unrestricted £	Restricted £	2017 £	2016 £
Income from Charitable Activities					
Operation of Community Projects	- Shop Sales	104,485	-	104,485	84,303
	- Donated Goods/ Furniture Sales	586	-	586	9,706
Shared Accommodation	- Housing Benefit	93,336	-	93,336	41,196
Grants	- Woolworths Project	-	104,632	104,632	12,781
	- Leeming Street	-	-	-	250
		<u>198,407</u>	<u>104,632</u>	<u>303,039</u>	<u>148,236</u>
Other Income					
	- EBay Sales	-	-	-	5,616
	- Delivery Income	1,495	-	1,495	1,160
	- Utilities	13,569	-	13,569	13,500
	- Rent	18,000	-	18,000	18,000
	- Mortgage Monies to clear loans (note 10)	10,750	-	10,750	-
		<u>43,814</u>	<u>-</u>	<u>43,814</u>	<u>38,276</u>
Donations					
	- Foodbank and Community Bank	3,970	-	3,970	3,206
	- General Gifts	1,026	-	1,026	-
	- 1000 Club	3,550	-	3,550	3,564
	- Acorns	630	-	630	-
	- Mansfield Building	-	-	-	-
	- Belfield Street	-	-	-	-
		<u>9,176</u>	<u>-</u>	<u>9,176</u>	<u>6,770</u>

The notes form part of these financial statements

**Arena Community
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**Notes to the Financial Statements
for the Year Ended 31 March 2017 (continued)**

3. Resources Expenses

Charitable Activities	Unrestricted Costs £	Restricted Costs £	Total 2017 £	Total 2016 £
Purchases for resale & sale costs	2,331	-	2,331	2,168
Foodbank Supplies	3,067	-	3,067	1,971
Refuse Collection	2,181	-	2,181	3,063
Light & Heat	9,316	9,119	18,435	15,149
Water Rates	3,480	-	3,480	2,874
Rent & Rates	56,805	-	56,805	45,612
Telephone	859	-	859	890
Staff Wages & NIC	93,277	-	93,277	67,073
Sundry Costs (inc. Training)	870	-	870	3,079
Office Costs	1,018	-	1,018	1,177
Repairs & Renewals	-	8,271	8,271	5,133
Cleaning	645	-	645	377
Insurance	8,850	-	8,850	9,859
Legal Fees and Licences	1,485	-	1,485	1,426
Travel and Transport Costs	9,247	-	9,247	6,850
Accountancy Fees	1,200	-	1,200	1,500
Consultancy Fees	10,800	-	10,800	8,675
Charitable Giving (see note below)	1,245	-	1,245	-
Bank and Interest Charges	130	-	130	98
Depreciation	5,990	11,036	17,026	26,849
Professional/Management Fees	15,466	3,076	18,542	10,736
Project Related Costs & Events	1,723	-	1,723	-
Mortgage Interest	9,605	-	9,605	8,649
Commission on Sales	393	-	393	-
	<u>239,983</u>	<u>31,502</u>	<u>271,485</u>	<u>223,208</u>

Charitable Giving

	2017 £	2016 £
Mercy	1,245	-
	<u>1,245</u>	<u>-</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 2017 (continued)

4. Fixed Assets

	Equipment £	Fixtures & Fittings £	Leeming Street Property £	Motor Vehicles £	Woolworths Project	Total £
Cost b/fwd	9,207	6,149	219,569	8,750	22,002	263,677
Additions	662	283	903	-	75,869	77,717
	9,869	6,432	220,472	8,750	97,871	343,394
Less depreciation to date	(5,675)	(4,352)	(21,957)	(2,920)	(2,202)	(37,106)
Depreciation in the year	(780)	(401)	(3,872)	(2,187)	(9,786)	(17,026)
Net book value at 31.3.17	3,414	1,679	194,643	3,643	85,883	289,262

To fund the purchase of a property formerly known as 'Rileys' at Leeming Street Mansfield, the Kingdom Bank had previously loaned an amount of £131,000 over a period just in excess of 29 years. In October 2016 the loan was increased by £33,000.00. The loan is repayable:

Due	1 – 2 years	13,948
	2 – 5 years	41,844
Over	5 years	120,773

The bank holds a fixed and floating charge over the property at Leeming Street, Mansfield dated 16 April 2013.

5. Management and Administration costs

	2017 £	2016 £
Average Number of Paid Employees in the Year	24	15

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

6. Emoluments of Trustees

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

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.

Related Party

Mr Kristian Thorpe who is a member and trustee of the Arena Church receives consulting income from the charity (see note 3).

Mr Thorpe rents to the charity a property at 138 Godfrey Drive, 32 Barlow Drive, 70 Norman Street and 5 Milton Street, Ilkeston at a monthly rent of £1,940.00 per month. The properties are used to deliver the Shared Accommodation Project. The total rent for the period totalled £22,855 (2016: £13,200). This agreement is for a 24 month period.

7. 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.

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 2017 (continued)

8. Movement in Total Funds for the year

	2017	2016
	£	£
Independent Examination	1,200	1,500

9. 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.

10. Related Party

Arena Community is a charitable company set up to support the work of its trading companies known as Anera Enterprises Ltd and The Project Ilkeston Ltd, of which the charity owns the whole share capital. The charity operates in part from premises owned by Arena Church. Management fees are charged to the subsidiaries by Arena Church to represent the use of offices, accounting staff and light and heat. The charges made were £2,952 to Anera Enterprises Ltd and £3,864 to The Project Ilkeston Ltd – there are no outstanding balances at the year end date.

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

A loan from Arena Church of £20,000 (2016: £66,500) was made previously and in part is still outstanding at this year end date.

After the merger with the Mansfield Church, Arena Church acquired a property at Bosworth Street. This has been used by Arena Community at no charge but the charity has covered operating costs. The property was to be developed for a charitable project in the future. However, the property was destroyed by fire and is currently being assessed by the Insurers for a valuation.

Mr K Thorpe is appointed both minister and trustee of the Arena Church.

Arena Church charged a management fee to the charity of £11,959 (2016: £9,382). This was for the use of the accounting staff, offices, light and heat etc. The balance owing at 31 March 2017 was £Nil (2016: £Nil).

Arena Church now conducts its services in Mansfield from the building on Leeming Street which belongs to Arena Community – a charge of £1,500 per month is made for the hire of the premises. The charge for the year was £18,000 (2016: £18,000). The balance owing at 31 March 2017 was £10,114.25 (2016 - £Nil).

Monies were raised on Arena Community by increasing the mortgage with Kingdom Bank in 2016. The monies were used to finance projects and also to repay previous debts not only in this charity but also in Arena Church and Arena Community's trading subsidiary Anera Enterprises Ltd. The funds given to clear the debt in Arena Community totalled £35,750 of which £20,750 was given to Arena Church and £15,000 to Anera Enterprises Ltd giving incoming funds of £10,750 and leaving £20,000 as the agreed outstanding balance still due to Arena Church.

No interest has been charged on the inter-company loans.

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 2017 (continued)**

Intercompany Accounts

Arena Community operated intercompany accounts with its related businesses, Arena Church and Anera Enterprises Limited, to share joint costs and to correctly allocate expenditure.

The intercompany balances at 31 March 2017 were:

	£	
Creditors:		
Arena Church	17,872	(31 March 2016 - £9,485)
Anera Enterprises Ltd	21,404	(31 March 2016 - £16,390)
Debtors:		
The Project Ilkeston Ltd	23,266	(31 March 2016 - £Nil)

11. Future Commitments

The charity shop in Ilkeston known as 'Arena Hope' had a three year lease which renewed in November 2017 and extends to November 2022, which is at a cost per annum of £9,960. There is a six month break clause.

The charity shop in Mansfield known as 'Open Door' had a lease until March 2012 which is at a cost per annum of £6,460, the lease continues on a month to month basis, no new lease has been agreed since 2012.

The charity operates a community hub and furniture project from premises at Belfield Street, Ilkeston, and has a 3 year lease which is at a cost per annum of £9,000 until September 2018.

Arena Community have taken lease at a peppercorn rent on premises at the old Woolworths store in Ilkeston, known as the Woolworths Project, grants were awarded to the charity to develop this work further. The new project known as The Project Ilkeston Limited commenced on 1 November 2016.

12. Investment in subsidiary

The charity wholly owns two subsidiaries, Anera Enterprises Ltd and The Project Ilkeston Limited, the charity holds the issued ordinary shares in each company representing 100% of the equity of the company. The principal activity of Anera Enterprises Ltd is the operation of a conference centre, room hire, events and coffee shops and the principal activity of The Project Ilkeston Limited is running a coffee shop and charity shop.

A summary of the results of the subsidiary is shown below:

	Anera Enterprises Ltd	The Project Ilkeston Ltd
	2017	2016
	£	£
Turnover	106,290	128,938
Cost of sales	21,555	28,917
Gross profit	84,735	100,021

The aggregate of the assets, liabilities and funds was:

	46,202	52,461	14,536
Assets			
Liabilities	18,435	33,271	36,783
Funds (representing 1 ordinary share of £1 each)	27,767	19,190	(22,247)

Investment in subsidiary at cost

1 Ordinary share of £1 each	1	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 2017 (continued)**

On 1 July 2016 The Project Ilkeston Limited was formed and commenced trading on 1 November 2016.

13. 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.

14. Open Door Charity Shop

On the 27 July 2010 a legal agreement was made between the trustees of Arena Church and the trustees of Bosworth Street Church, Mansfield which incorporated a charity shop known as Open Door.

The assets of both the church and the shop were transferred in full to Arena Church.

15. Movement in Funds

	At 1.4.16	Incoming Resources	Outgoing Resources	Transfers	At 31.3.17
Restricted Funds					
Flourish	2,935	-	-	-	2,935
Woolworths Project	11,503	104,632	30,252	-	85,883
Belfield Project Van	3,750	-	1,250	-	2,500
	<u>18,188</u>	<u>104,632</u>	<u>31,502</u>	<u>-</u>	<u>91,318</u>

Restricted Fund – Woolworths Project. A balance was carried forward of £11,503. An amount of £104,632 was given specifically for this project. The asset has been capitalised and the balance will be written off over a 10 year period. The balance at 31 March 2017 was £85,883.

Restricted Fund – Belfield Street – This fund relates to gifts and donations given towards the refurbishment and rent associated with the Community Hub at Belfield Street. Additionally £5,000 was given to purchase a vehicle for the project. This was purchased in 2015 and will be written off over a 4 year period. The balance at 31 March 2017 was £2,500.

Restricted Fund – Flourish – This fund held specific donations received for the cultivation of the community garden which is overseen by Wash Arts. At 31 March 2017 a balance of £2,935 remained.

16. Analysis of Net Assets Between Funds

	General Funds	Restricted Funds	Total
	£	£	£
Fixed Assets	200,879	88,383	289,262
Current Assets	50,439	2,935	53,374
Current Liabilities	(104,544)	-	(104,544)
Long Term Liabilities	(176,565)	-	(176,565)
Net Assets at 31.3.17	<u>(29,791)</u>	<u>91,318</u>	<u>61,527</u>

The notes form part of these financial statements