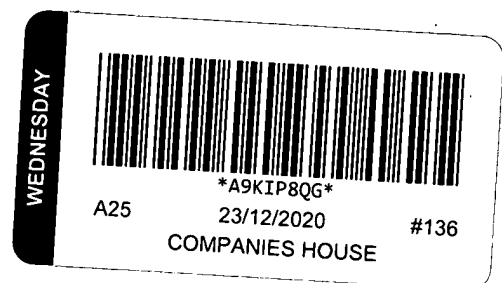


Arena Community
Registered Charity Limited
By Guarantee
REPORT AND
FINANCIAL STATEMENTS
for the Year Ended 31 March 2020

Charity Number 1115569
Company Number 5116407



**Arena Community
Registered Charity Limited by Guarantee**

Report of the Trustees for the year ended 31 March 2020

Chair's Report

In representing the Arena Community Trustees as Chair, I am thrilled to confirm that the latest accounts on paper reflect the incredible work of so many people. The year has not been without challenge, yet time and again both salaried staff and a small army of volunteers have given above and beyond, all reflected in a very positive progressive financial year ending report. We are truly gratified as Trustees to know so many people in our local communities have been helped.

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 2019 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).

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

COMMUNITY PURPOSE

A paper was submitted to the board of trustees, and subsequently passed, giving a breakdown of the four focus areas for Arena Community and a purpose statement.

The purpose statement - to restore broken lives because everybody is somebody at Arena.

The four focus areas:-

- To feed and provide resource for the disadvantaged
- To provide quality housing
- To train, educate and rehabilitate
- To make the community liveable again

**Arena Community
Registered Charity Limited by Guarantee**

Report of the Trustees for the year ended 31 March 2020 (Continued)

COMMUNITY HUB

The Hub continues to be busy with its different activities and many volunteers. In September Tracy Newton left and we appointed Olivia Richardson as her replacement as Operations Supervisor. She has done very well in her new role and has picked up the reins very quickly.

During the year discussions had been held with Wardrobe, a department within Wards Recycling, a local business, to whom we presently take our clothing rags for recycling. This has resulted in clothing collection bins being located at various points around the community, whereby people donate unwanted clothing. A percentage of the money made from the recycling of these clothes is given to Arena Community.

It has been another busy year at The Hub. We have continued to support people via the foodbank and follow up programme as well as those we have contact with in the prisons. Angela and her team continue to hold a stall at the hospital as well as attending Stapleford and Ilkeston carnivals. It is a valuable contribution to our community operation.

Maintenance/Building Changes

After a large collection of food over the winter period we decided that we needed to change where we were storing food. We cleared out the back storage room, where the bikes and blinds were previously stored, which also needed weatherproofing due to leaks in the ceiling. We then set up the room to be used as food storage, this has proved to be much better for organisation & storage. The team has been able to track how much food we have and keep records so that they are aware of when we are short on stock.

ACORNS

We were hoping to relaunch ACORNS after identifying Olivia Richardson as the new leader but we were held back from this as we did not have a minibus. Subsequently a minibus was purchased by Arena Church which we had access for usage. We are planning to relaunch in Spring 2020 and we will be renaming it Arena Afterschool.

Care For A Coffee

We were running Care for a Coffee up until the lockdown, at which point it was decided that we end this service. Whilst we had regular attendees, it was not effective and it did require several team members to operate which we did not have.

Collection/Delivery Service

We continue to operate our collection and delivery service. We made changes to the delivery team in November and we now feel that we have an efficient, reliable team in place. We are also planning to sell furniture again from The Hub as well as also ensuring that Arena Hope is well stocked with furniture so they are able to optimise their sales. At the start of April 2020 we started selling items via Ebay and Facebook Marketplace which we hope to focus on during the forthcoming year.

Foodbank

There continues to be a need for a foodbank in the community and we are able to offer hot meals at both sessions on Tuesdays and Fridays. Over the year we served 4948 hot meals and gave out a total of 1577 parcels to our clients. We provided 42 parcels to the homeless. Throughout the year we had 140 new clients and 123 referrals from other agencies. We continued to receive donations from local businesses in the area, through organisations like Fareshare and Neighbourly.

Christmas

At Christmas we hosted our toy giveaway; we connected with various children's support organisations who each referred various families to the event. We were supported by St Wilfrid's Church, West Hallam and the West Hallam WI who organised collections for us. The event was well attended and the team was also able to provide refreshments and a wrapping service for those that attended.

Food Collection

Over the Christmas period there were a few ladies from the community that spearheaded a large collection of food which resulted in nearly 22,900 items being given to the foodbank. They did this primarily using Facebook and other social media platforms which had a big impact. We continue to post on social media when we are in need of certain items. Ilkeston Fire Station also organised food collections at local supermarkets in the area.

**Arena Community
Registered Charity Limited by Guarantee**

Report of the Trustees for the year ended 31 March 2020 (Continued)

Christmas meals

We cooked a Christmas meal where everyone could come and have Christmas dinner. We had various people in the community donate the food for this meal. Also, on Christmas Eve we opened to supply meat cobs, mince pies, sausage rolls and other food items to help see people through Christmas. This was organised and run by the Kitchen team at The Hub.

Pop Up Shop

Throughout the year we have held Pound Pop Up Shops, selling surplus tins of food or clothing that would not have been sold at the shops. We have made just over £1000 over the year from these events.

Food Drive/Bag Packing

We have continued to do the bag packing at local supermarkets although there are not as many opportunities to go in to do this. We have collected food as well as £1271 in monetary donations. We also continue to receive donations of unwanted food and non perishable items.

MANSFIELD

Leeming Street

The major renovation of the building was completed with just a few minor things left to finish. However a group of volunteers helped to clean and paint to get the building ready for use again. Rooms had been created as a part of the refurbishment which we were able to hire out and also move regular customers into.

Unfortunately during the year, cracks were discovered in several parts of the building, as well as leaks in the roof. We will therefore need to have work undertaken to fix both these issues. The insurance company had been and inspected the premises and had deemed the cracks were caused by wear and tear as opposed to subsidence.

Care For A Coffee

Attendance at Care for a Coffee has steadily increased to 60+ on average per session. We run during school holiday when the team will serve hot dogs and have more kids activities available. We have been able to recruit two new team members, Rebecca and Russell.

The relationship between Arena and Notts Enabling Team has continued to develop, with John Reddish writing a great report earlier in the year.

The Christmas Eve party was a huge success. We had been given a donation of 20 men's gifts and £80 as well as from DWP, which helped to make the day special for the attendees.

We were able to launch a 'tabletop shop' that sold food items that had been donated by The Hub, as these were not suitable to be put in the food parcels. We sold the items at around a third of the retail price and between January and March we made on average £110 in sales.

The Christmas Community service focussed on Care for a Coffee. A three minute film was made of the service users talking about how much they enjoy coming and 40 attended this for the first time.

Snap Team ran again over the winter serving a pot noodle and other snacks. Take up was lower than last year as another soup kitchen operates at 2pm to 4pm on Sundays serving hot meals and sandwiches.

RETAIL

The Project

A pledge for £20,000 was received for the refurbishment work required for the upstairs at The Project. The initial plans that were drawn up have been reviewed and amended to better fit the needs of the charity.

It had been decided to revisit the selling of furniture on the internet. We were helped with this by Jonathon Kirk who came and trained the team, which led to furniture being put on Ebay and Facebook in February. We were very encouraged by the response and we saw sales of £944 in the first eight weeks. We also had local people visit the shop who had seen our furniture on the internet, some of whom purchased in store.

**Arena Community
Registered Charity Limited by Guarantee**

Report of the Trustees for the year ended 31 March 2020 (Continued)

Luke Cumberland finished his apprenticeship in January and was offered a part time position which he accepted. We now have two regular volunteers on the furniture team so we feel confident that we can supply furniture for the internet operation.

In the retail area, one of the team left and we recruited a new member, who has focussed on displaying stock and sorting out the upstairs clothing room. We have also increased the offering of clothes with more rails on the shop floor. We had £1 sales usually around the bank holidays which saw not only an increase in clothing sales but helped to deplete the large stock of clothing held at The Project, freeing up space to replenish with new stock from The Hub. Longer term our aim would be to move the clothing operation to The Project.

The Workshop Cafe has performed well and sales have continued to increase. We reviewed the menu offering which enabled us to implement price increases and we also revisited the food purchasing which led to a decrease in cost savings. We also changed the layout slightly by removing the sofas and replacing them with tables and chairs, as well as putting tables and chairs in two of the windows. Due to staff changes we welcomed back Finlay Hill who took the position of Assistant Manager.

Arena Hope

We have continued to focus on Hope to try and increase the sales. We are ensuring that they are receiving regular deliveries of furniture on a weekly basis so that the shop is fully stocked.

Scott Hind also continues to post items for sale on social media, which has generated quite a lot of interest and subsequent sales for the shop. However more work needs to be done which we will have to focus on in the coming year.

At the end of November, volunteers from both Arena Community and Arena Church served drinks and cakes from the front of Hope at the Ilkeston Christmas light switch on. There was a group carol singing too and leaflets were handed out. Our staff is always well received by the public and we are ideally located for this event.

Open Door

In February, we celebrated the 20th anniversary of Open Door. There was a celebration at the shop for the team and customers and two of the original team who are still working at the shop were presented with flowers.

Once again, Open Door participated in events on Ladybrook Square which helped them to connect with the community. The shop was opened for the Christmas light switch on when they sold hot drinks and cakes.

FUNDING

Adam Newton joined the team to work on funding and received training from Sean Tully. He has been successful in securing some funding for the charity.

SUPPORTED LIVING

Our portfolio of properties now consists of five houses and one flat. The number of bedrooms varies and we now have seven rooms for male occupants and five rooms for female occupants in the houses and the flat is suitable for either male or female, but is occupied by a male currently.

Our support team continues to work together to enable our tenants to progress and achieve their individual aims and ambitions, to overcome any addictions they may have, and to assist them to develop the necessary skills required to get back into work and move into their own place. Whilst working with them, we help them register with all local agencies including doctors and dentists and accompany them to various meetings such as the local jobcentre or probation and encourage them to make contact with their addiction agency key workers.

Several of our tenants have volunteered over the year and we encourage this as part of their rehabilitation process. This is a great way for them to get into the 'work ethics' habit and is their first step to getting back into paid work.

We are continuing to offer advice and guidance in many areas including finance and budgeting, shopping and cooking, personal hygiene and overall cleanliness of their rooms and houses.

**Arena Community
Registered Charity Limited by Guarantee**

Report of the Trustees for the year ended 31 March 2020 (Continued)

It is important that we continue to assess our effectiveness and the tenants progress and this is done on a regular basis via support plans and regular review meetings.

Overall, 2019/2020 has been a very difficult year for our team, having to face issues caused by a sudden influx of Mamba, which is a relatively new drug and highly addictive. This resulted in a complete change of behaviour in several of our tenants and after many attempts to help them we were forced to evict which is not an action we take lightly. This happened in both our male and female houses. We also had the very sad experience of one of our ladies dying of natural causes in her room, something none of the team have experienced before. However we have had success with some of the tenants - a couple of ladies who came with addiction issues who is now volunteering; another lady who is now working full time and living in her own home; a homeless man who is now settled in and volunteering for us and another man who has moved into our 'next steps' apartment who is hoping to move out this coming year.

We are still working with tenants who are battling with Mamba addictions, trying to assist them wherever we can and encourage them to fight to free themselves from this.

We believe everyone deserves the chance to change and although we cannot always guarantee great progress, we do guarantee we will continue to work alongside every single person we can, giving them every opportunity to get themselves free of all addictions and move forward.

Financial Review

The attached financial statements show the current state of the finances. The company had net incoming resources during the year of £291,452. The company's revenue general fund balance is a balance of £(86,457) at 31 March 2020 ((£14,496) at 31 March 2019). There is a loan outstanding to Arena Church of £20,000. The company's overall position for the year totalled £(81,748) (2019: (£9)).

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.

**Arena Community
Registered Charity Limited by Guarantee**

Report of the Trustees for the year ended 31 March 2020 (Continued)

Plans for the Future

- To promote 1000 Club and Business Buddies to increase donors
- To increase social media coverage of our retail operations
- To increase the profile and sales by relaunching the retail and cafe offering at The Project - this will include a change of image to appeal to a wider audience, as well as changing the menu offering to make and menu offering
- To focus on building up the retail operation for selling furniture via the internet from both The Project and The Hub following our initial launch
- To continue to review costs and expenditure in the different areas of the organisation
- To continue the tidy up and then redecorate the Hub
- To refurbish the first floor of Project
- To investigate the possibility of streamlining clothing donations from the charity shops into a central sorting area located at The Project
- To establish a food club and further develop the clothing donations in Mansfield
- To establish a support group for members of Care For A Coffee
- To supply food from The Hub which is not suitable for our food parcels for community outreach of Arena Church campuses
- To complete repairs at Leeming Street
- To paint the frontage at Leeming Street
- To investigate the possibility of converting space at Leeming Street into supported living accommodation
- To focus on Arena Hope with a view to refurbish and subsequently increase sales
- To continue to source funding for the operation of The Hub and other community initiatives
- To relaunch Arena Afterschool in Spring 2020
- To partner with a local school in Heanor to give out Christmas food hampers to families experiencing food poverty and financial hardship
- To partner with Social Services to provide Christmas presents for children whose families are experiencing financial hardship

From The Chairperson - Philip Pye

The annual report for the Arena Community Charity does reflect the very challenging nature of the financial position and the issues that presents. This is to confirm that the Community Charity Trustees have taken serious note of this. Much lengthy and candid conversation and discussion has ensued leading to some specific action points being implemented, with the determination to bring the finances of the charity, going forward, into a far healthier place that will position well for the future.

Registered Charity Limited by Guarantee

Report of the Trustees for the Year Ended 31 March 2020 - 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 R Gonouya L Harrison C Stockdale R Tye	
SECRETARY:	A Simpson	
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:	Diane Lockwood Haines Watts 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:	Mr Ben Bourne Ellis Fermor and Negus 2 Devonshire Avenue Beeston Nottingham NG9 1BS	

Registered Charity Limited by Guarantee

Report of the Trustees for the Year Ended 31 March 2020 - 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 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 six 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.

Governance

The Memorandum of Articles were amended this year to enable the remuneration of trustees - namely Ann Simpson and Lisa Harrison.

Registered Charity Limited by Guarantee

Report of the Trustees for the Year Ended 31 March 2020 - 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.

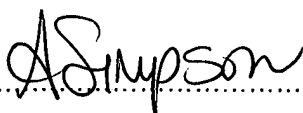
Members of the Board of Trustees

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 2020 was six (31 March 2019 - five).

This report has been prepared in accordance with the Statement of Recommended Practice : Accounting and Reporting by Charities 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)

Dated.....15.12.20.....

Trustee and Director of the Company

Registered Charity Limited by Guarantee

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 2020.

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 FCA, FCCA ATT (Fellow)
Chartered Accountant

Dated 21.12.2020

Haines Watts
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 2020

		Unrestricted Funds 2020	Restricted Funds 2020	Total Funds 2020	Unrestricted Funds 2019	Restricted Funds 2019	Total Funds 2019
	Notes	£	£	£	£	£	£
INCOME							
Income from							
Charitable Activities	2	219,771	100	219,871	223,401	42,130	265,531
Donations and Legacies	2	22,206	-	22,206	22,590	-	22,590
Other	2	49,375	-	49,375	54,414	-	54,414
TOTAL INCOMING RESOURCES		291,352	100	291,452	300,405	42,130	342,535
EXPENDITURE							
Fundraising Costs		1,327	-	1,327	5,000	-	5,000
Charitable Activities	3	361,986	9,887	371,873	316,739	20,787	337,526
TOTAL RESOURCES EXPENDED		363,313	9,887	373,200	321,739	20,787	342,526
NET INCOME / (EXPENDITURE) FOR THE FINANCIAL YEAR		(71,961)	(9,787)	(81,748)	(21,334)	21,343	9
TRANSFER BETWEEN FUNDS	15	-	-	-	32,380	(32,380)	-
RECONCILIATION OF FUNDS							
TOTAL FUNDS BROUGHT FORWARD		(14,496)	69,244	54,748	(25,542)	80,281	54,739
TOTAL FUNDS CARRIED FORWARD	15	(86,457)	59,457	27,000	(14,496)	69,244	54,748

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

Registered Charity Limited by Guarantee

Balance Sheet as at 31 March 2020

	Notes	31 March 2020		31 March 2019	
		£	£	£	£
FIXED ASSETS:					
Tangible Assets	4		363,563		379,784
CURRENT ASSETS:					
Debtors and prepayments	18	24,022		25,822	
Cash at Bank and in Hand		4,476		5,859	
Investment in Subsidiaries	12	2		2	
Intercompany Account – The Project Ilkeston Ltd		63,919		61,233	
		92,419		92,916	
CREDITORS: Amounts falling due within one year					
Sundry Creditors	19	28,991		34,338	
Kingdom Bank Mortgage	4	13,984		13,984	
Intercompany Account - Anera Enterprises Limited		24,987		24,188	
- Arena Church	10	172,758		99,303	
Loan - Arena Church		20,000		20,000	
Individual Loans		56,770		56,770	
		317,490		248,583	
NET CURRENT ASSETS/(LIABILITIES):			(225,071)		(155,667)
LOAN – repayable after 12 months					
Kingdom Bank Mortgage	4		(165,492)		(169,369)
NET ASSETS		£	(27,000)	£	54,748
THE FUNDS OF THE CHARITY					
Unrestricted	15	(86,457)		(14,496)	
Restricted		59,457		69,244	
TOTAL CHARITY FUNDS		£	(27,000)	£	54,748

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ending 31 March 2020.

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 15.12.20

Registered Charity Limited by Guarantee

Notes to the Financial Statements for the Year Ended 31 March 2020

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 1st January 2019) – (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.

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.

Effect of COVID19

Since the year end date the charity has been in receipt of grants and loan funding which has supported the charity. A review has taken place of all income streams and adjustments made as required to ensure the continuation of the charity.

The accounts are presented in sterling (£).

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.

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.

The stock held in the charity shop, furniture restoring and also clothing for re-sale is not valued for stock purposes at the year end date but is recognised at point of sale.

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
Registered Charity Limited by Guarantee**

Notes to the Financial Statements for the Year Ended 31 March 2020 – 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 this 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
Registered Charity Limited by Guarantee**

Notes to the Financial Statements for the Year Ended 31 March 2020 – Continued

Pensions

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. Contributions payable for the year are shown in the Statement of Financial Activities.

Debtors

Debtors are recognised at the settlement amount owed to the Charity or prepaid.

Creditors

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

Financial Instruments

The Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value

Taxation

The Charity is exempt from tax on its charitable activities as they further the Charity's aims and, as such, are considered to be charitable activity only.

Judgement and Key Sources of Estimation Uncertainty

The preparation of accounts using generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period.

The key estimates and assumptions used in the Financial Statements are detailed in the accounting policies.

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 2020 – Continued

2. Income

		Unrestricted £	Restricted £	2020 £	2019 £
Income from Charitable Activities					
Operation of Community Projects					
-	Shop Sales	87,379	-	87,379	92,293
-	Donated Goods/ Furniture Sales	11,106	-	11,106	12,410
Shared Accommodation					
-	Housing Benefit	117,286	-	117,286	114,698
Grants					
-	Erewash Borough Council	-	100	100	-
-	Big Lottery Fund	-	-	-	9,750
-	29th May 1961 Fund	4,000	-	4,000	4,000
-	Nottingham County Council	-	-	-	32,380
		<u>219,771</u>	<u>100</u>	<u>219,871</u>	<u>265,531</u>
Other Income					
-	Rag Collections	3,156	-	3,156	2,571
-	eBay Sales	1,349	-	1,349	-
-	Delivery Income	1,458	-	1,458	1,370
-	Utilities & Sundry Income	7,094	-	7,094	15,172
-	Rent, Room Hire & conference	25,415	-	25,415	24,435
-	Management Fee – The Project	10,903	-	10,903	10,866
		<u>49,375</u>	<u>-</u>	<u>49,375</u>	<u>54,414</u>
Donations					
-	Gifts from Arena Church	5,062	-	5,062	6,629
-	Donations & General Gifts	13,752	-	13,752	12,613
-	1000 Club	2,492	-	2,492	3,348
		<u>22,206</u>	<u>-</u>	<u>22,206</u>	<u>22,590</u>

Trustee giving in the year amounted to £504.

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 2020 - Continued

3. Resources Expenses

Charitable Activities	Unrestricted Costs £	Restricted Costs £	Total 2020 £	Total 2019 £
Purchases for resale & sale costs	2,470	-	2,470	4,137
Foodbank Supplies	4,403	-	4,403	3,935
Refuse Collection	3,732	-	3,732	3,452
Light & Heat	31,258	-	31,258	24,477
Water Rates	4,406	-	4,406	4,381
Rent & Rates	73,337	-	73,337	66,675
Telephone	964	-	964	897
Staff Wages, Pension & NIC (note 5)	144,369	-	144,369	125,098
Sundry Costs (inc. Training)	2,779	-	2,779	2,957
Office Costs	794	-	794	1,320
Repairs, Renewals & Maintenance	13,071	100	13,171	14,720
Cleaning	771	-	771	663
Insurance	12,543	-	12,543	12,722
Legal Fees and Licences	2,140	-	2,140	1,829
Travel and Transport Costs	8,522	-	8,522	9,401
Accountancy Fees	1,440	-	1,440	1,440
Consultancy Fees	19,732	-	19,732	15,598
Bank and Interest Charges	515	-	515	434
Depreciation	21,088	9,787	30,875	30,004
Professional/Management Fees	2,605	-	2,605	1,708
Project Related Costs & Events	940	-	940	1,388
Mortgage Interest	10,107	-	10,107	10,290
	<u>361,986</u>	<u>9,887</u>	<u>371,873</u>	<u>337,526</u>

4. Fixed Assets

	Equipment £	Fixtures & Fittings £	Bellfield & Leeming Street Properties £	Motor Vehicles £	Woolworths Project	Total £
Cost b/fwd	10,473	9,516	360,093	8,750	97,871	486,703
Additions/(Disposals)	-	230	14,425	-	-	14,655
	<u>10,473</u>	<u>9,746</u>	<u>374,518</u>	<u>8,750</u>	<u>97,871</u>	<u>501,358</u>
Less depreciation to date	(7,886)	(5,498)	53,999	(7,981)	(31,562)	(106,920)
Depreciation in the year	(546)	(864)	(18,909)	(769)	(9,787)	(30,815)
	<u>(8,432)</u>	<u>(6,362)</u>	<u>35,610</u>	<u>(8,750)</u>	<u>(41,349)</u>	<u>(137,735)</u>
Net book value at 31.3.20	<u>2,041</u>	<u>3,390</u>	<u>301,610</u>	<u>-</u>	<u>56,522</u>	<u>363,563</u>

To fund the purchase of a property formerly known as 'Rileys' at Leeming Street Mansfield, a loan was taken from Kingdom Bank. The loan is repayable:

Due	1 – 2 years	13,984
	2 – 5 years	41,844
Over	5 years	109,667

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

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 2020 - Continued

5. Management and Administration costs

Included in charitable activities are staff costs as follows:-

	2020 £
Salaries	141,745
National Insurance	1,761
Pension	863
	<hr/> 144,369

	2020 £	2019 £
Average Number of Paid Employees in the Year	<hr/> 17	<hr/> 16

No employee received emoluments of more than £60,000 in the year, the highest paid employees salary totalled £12,774.50.

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. Lisa Harrison is a trustee and paid employee of the Charity. In the year her gross pay totalled £8,827.56.

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 received consulting income from the charity totalling £12,000 (2019: £12,000).

Mr Thorpe rents to the charity properties at 138 Godfrey Drive, 32 Barlow Drive, 70 Norman Street and 5 Milton Street, Ilkeston at a monthly rent of £1,865.00 per month. The properties are used to deliver the Shared Accommodation Project. The total rent for the period totalled £22,380 (2019: £22,080). 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.

8. Movement in Total Funds for the year

	2020 £	2019 £
Independent Examination	1,440	1,440

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.

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 2020 - Continued

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. Management fees are charged to the subsidiaries by Arena Community to represent the use of offices, accounting staff and light and heat. The charges made were £NIL to Anera Enterprises Ltd and £10,903 to The Project Ilkeston Ltd – there is no outstanding balance 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 (2019: £20,000) was made previously and is still outstanding at this year end date.

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

Arena Church charged a management fee to the charity of £10,680 (2019: £10,680). This was for the use of the accounting staff, offices, light and heat etc. This is recharged via the intercompany account.

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 (2018: £18,000). The balance owing at 31 March 2020 was £Nil (2019 - £Nil).

Arena Church gifted in the year a total (including Gift Aid) of £5,962 (2019: £6,629) to Arena Community.

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

There are no other related party transactions.

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 2020 were:

Creditors:	£	
Arena Church	172,758	(31 March 2019 - £99,303)
Anera Enterprises Ltd	24,987	(31 March 2019 - £24,188)
Debtors:		
The Project Ilkeston Ltd	63,919	(31 March 2019 - £61,233)

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 5 year lease which is at a cost per annum of £9,000 until September 2020.

Arena Community took a lease at premises at the old Woolworths store in Ilkeston, known as the Woolworths Project. The lease is for a period of 15 years until 2031 at a cost per annum of £7,000. The lease has break clauses at 2021 and 2026.

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 2020 - Continued

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 the Workshop Café.

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

	Anera Enterprises Ltd		The Project Ilkeston Ltd	
	2020	2020	2020	2019
	£	£	£	£
Turnover	93,499	100,534	71,228	60,273
Cost of sales	14,629	15,803	21,725	19,599
Gross profit	78,870	84,631	49,503	40,674

The aggregate of the assets, liabilities and funds was:

Assets	50,642	65,288	6,795	11,579
Liabilities	6,246	12,589	108,170	98,345
Funds (representing 1 ordinary share of £1 each)	43,396	52,699	(101,375)	(86,766)

Investment in subsidiary at cost

1 Ordinary share of £1 each	1	1	1	1
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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 1.4.19	Incoming Resources	Outgoing Resources	Transfers	At 31.3.20
Restricted Funds					
Flourish	2,935	-	-	-	2,935
Woolworths Project	66,309	-	9,787	-	56,522
Erewash Borough Council	-	100	100	-	-
	<u>69,244</u>	<u>100</u>	<u>9,887</u>	<u>-</u>	<u>59,457</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 2020 – Continued

Restricted Fund – Woolworths Project. A balance was carried forward of £76,096. The asset has been capitalised and the balance will be written off over a 10 year period. The balance at 31 March 2020 was £56,522.

Restricted Fund – Erewash Borough Council – Grant of £100 for the purchase of a computer.

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 2020 a balance of £2,935 remained.

16. Analysis of Net Assets between Funds

	General Funds	Restricted Funds	Total
	£	£	£
Fixed Assets	307,041	56,522	263,563
Current Assets	89,484	2,935	92,419
Current Liabilities	(317,490)	-	(317,490)
Long Term Liabilities	(165,492)	-	(165,492)
Net Assets at 31.3.20	<u>(86,457)</u>	<u>59,457</u>	<u>(27,000)</u>

	General Funds	Restricted Funds	Total
	£	£	£
Fixed Assets	313,475	66,309	379,784
Current Assets	89,981	2,935	92,916
Current Liabilities	(248,583)	-	(248,583)
Long Term Liabilities	(169,369)	-	(169,369)
Net Assets at 31.3.19	<u>(14,496)</u>	<u>69,244</u>	<u>54,748</u>

17. Short Term Loan

There is a balance outstanding at 31 March 2020 of £56,770. This total is repayable on demand.

18. Debtors

	2020	2019
	£	£
Trade Debtors	6,560	8,727
Other Debtors	780	793
Prepayments	<u>16,682</u>	<u>16,302</u>
	<u>24,022</u>	<u>25,822</u>

19. Sundry Creditors

	2020	2019
	£	£
Accruals	11,056	11,657
Trade Creditors	19,812	22,673
PAYE and Pension	<u>(1,877)</u>	<u>8</u>
	<u>28,991</u>	<u>34,338</u>

The notes form part of these financial statements