

MARKFIELD COMMUNITY ASSOCIATION

c/o 60, Oakfield Avenue
Markfield
Leicestershire
LE67 WG

Tel:07904 222552

Email: ronniegrantham@hotmail.co.uk

TRUSTEES' REPORT FOR YEAR ENDING 31st MARCH 2023

1. Introduction

This financial year has proven to be a difficult and frustrating year for the Association

2. Reference and administration DETAILS OF THE Charity and its trustees.

The charity is a charitable unincorporated Organisation known as Markfield Community Association (MCA). Its registration number is 1017713.

The charity is registered at 60 Oakfield Avenue, Markfield, Leicestershire and is currently operated from this address.

The trustees in place at the date of approval of this report are:

J.Bryan (appointed on 10th January 2022)

S. Beesley (appointed on 10th May 2018)

R. Grantham (appointed on 12th March 2011)

D. Grantham (appointed on 12th March 2011)

3. CHANGES TO THE CHARITY

4. Objectives and activities:

The charity known as Markfield Community Association was first constituted as a Charitable Un-Incorporated Organisation under a formal constitution made on 22nd January 1987.

The original aim of the Charity was to manage the daily running and development of Markfield Community and Sports Centre (The Centre) to provide sport, leisure, recreational, information, educational and community facilities for the people of Markfield and the surrounding rural areas and villages.

However, as from the 23rd November 2022 and as explained further in this annual report, the Charity is no longer operational at Markfield Community and Sports Centre and thus its current governance document together with its objectives and charitable status are now no longer applicable and require change with the approval and agreement of its Trustees, Directors and the Charity Commission.

5. Timeline

The following is a timeline of events leading to the Charity having to withdraw its operations at the Centre.

After thirty years of operation, the Association's lease of Markfield Community and Sports Centre from Markfield Parish Council expired on 31st December 2020.

In early 2021 the Trustees formed a working group tasked with negotiating a new lease with Markfield Parish Council. This process was interrupted by the COVID pandemic. However, later that year some lease renewal negotiations did take place between former Trustees of the Association and representatives of Markfield Parish Council however they failed to reach any agreement. The former Trustee representatives resigned and the Parish Council, for whatever reason, declined to negotiate or consult with remaining Trustees over a new lease agreement.

In February 2022 the Association received a formal letter from the Parish Council's solicitors requesting that the Association sign a Deed of Surrender giving up its expired lease of Markfield Community and Sports Centre. The Association immediately engaged a Solicitor at its own expense to represent it. There then followed a protracted series of legal representations between both parties.

On the 7th June 2022 the Association received a formal Sect 14 Notice and a Section 25 from the Parish Council's solicitors. The notice required the Association to vacate the Centre by 9th December 2022. Our legal representation challenged these notices.

The Parish Council continued to ignore or respond to requests for negotiations or consultation with the remaining Trustees of the Association. Members of the public including Trustees of the Association were excluded from those parts of Parish Council meetings where business matters concerning the Centre were discussed and decisions made. In essence the Trustees were "kept in the dark" on any intentions or plans the Parish Council had for the future of the Centre.

It was not until the 10th November 2022 that the Parish Council finally agreed to a meeting with Trustees of the Association. By now, it was evidently clear that the Parish Council had no intentions of offering the Association a new "like for like" lease. It was also clear that the Parish Council intended to occupy the Community Centre and run it themselves for an interim period. It was also evident that the Parish Council would then put the lease out for tender on WHOLE building lease agreement arrangement.

At this meeting on the 10th November ways forward were discussed however, the Parish Council requested that the Association sign a County Court Order of Possession thus giving up its tenure at the Centre.

In response, an extraordinary meeting of the Association's Trustees was held on the 11th November 2022. The Trustees agreed that the Order be signed. This decision was based on the fact that it was clear that the Association would not be offered a new "like for like lease" and that the Association, although solvent, could not financially run the Centre through a "WHOLE" building lease agreement. Trustees agreed that the legal costs of pursuing the matter through the courts was not financially viable and could be better spent to support the local community. The Trustees agreed that the Association should vacate the premises and that the Charity would review its aims and objectives as well as its governance document. It was also agreed that any assets would be disposed of within the Charity's current rules and any moneys be retained be used to support local community groups including, but not exclusively the Markfield Mayflower Project and the Markfield Good Neighbours Scheme.

At the same time, it was also agreed by the Directors of the Charity's trading Association i.e. Mercenfeld Trading Limited that all stock and property would be disposed of and any income be donated to the Charity for the purposes set out in the above paragraph.

On the 21st November 2022 the Association received a County Court Order of Possession requiring the Association to vacate the Centre by the 23rd November 2022.

On the 23rd November 2022 the Association formally handed over the premises to the Parish Council and took steps to make its staff redundant giving them enhanced redundancy pay in

accordance with Employment Law plus financial compensation for any outstanding annual leave due to them.

Thus, after over 30 years of successful, solvent and award-winning service and business at the Centre the Association handed over the running of the Centre to the Parish Council.

The Association and its Trading Arm then commenced a full audit of property and assets owned by both either through purchase, grants or otherwise acquired. This was provided to the Parish Council as it continued to use the majority of the Charity's property its continual operational running of the Centre.

In February 2023 the Association engaged the services of Voluntary Action Leicester to assist it the development of new aims and objectives of the Association and to-rewrite its rules of Governance in line with guidance from the Charity Commission.

There followed several meetings with Parish Council to negotiate payment for any items the Parish Council wished to retain as well as other items including compensation for tenant's improvements and outstanding rent owed to the Association by the Parish Council. The ratification of agreements made at these meetings were protracted due to issues within the Parish Council.

22nd May 2023 the Association received a formal letter from the Parish Council requiring the Association to remove all unwanted assets, fixtures and fitting including all bar stock from the Community Centre by 1st June 2023.

26th May 2023 a final settlement was agreed with the Parish Council in relation to outstanding rent owed and compensation for Association's assets retained at the Community Centre by the Parish Council.

NOTE:

THE FIGURURES FOR THE FINAL SETTLEMENT WILL APPEAR IN THE TRUSTEES' REPORT FOR YEAR ENDING 31st MARCH 2024

THE WAY FORWARD

This has been a difficult time for the Association however, the Trustees are determined to continue its good work by providing support in our community especially around wellbeing, health and continued support to vulnerable people.

The Trustees and the Directors of its Trading Arm have agreed the following way forward:

- To "wind up" the trading arm known as Mercenfeld Trading Limited (MTL) and continue to dispose of its remaining stock to financially support the Charity's new aims and objectives. This will be completed in financial year 2024/05 with Companies House once accounts have been finally audited and approved.
- To work with Voluntary Action Leicester to provide and agree with the Association's Trustees a special resolution on the changes to the Association's objectives.
- To work with Voluntary Action Leicester in order to review and agree a new governance document (constitution).
- To consult and seek agreement with the Charity Commission over dissolution of the Charity OR preferably to change its objectives and Charitable aims to continuing to support local community groups around wellbeing issues.

- To hold a general public meeting in financial year 2024/25 to outline changes to the Charity and outline its disposal of property to date.
- To consider any impact a new Centre lease holder may have on the Association and its use of the Centre especially in relation to the Mayflower Club and Good Neighbours Scheme and if necessary, seek alternative accommodation.
- To change or cancel any other relevant items that are currently in the name of or owned by the Association but no longer required including:
Licenses
External Accounts including utilities
Bank Accounts
- To review all of the Association's policies and procedures in order to eradicate those which have become redundant and to update those which will remain relevant to the future work of the Charity.
- To continue to provide articles in the local free magazine thus continuing to inform our residents of events and projects undertaken by the Association.

6. Financial Review:

The events leading to the Association's withdrawal from the Centre has had a detriment impact of the finances of the Association

In the main finances had virtually recovered from the consequences of the Pandemic however, the uncertainty caused by the breakdown in negotiations with the Parish Council over a new lease led to negative financial issues during this financial year. This situation also had an impact on the Association's ability to apply for grants or develop new projects or income streams.

Income

Income was down from £47, 949 in the previous financial year to £38,058 which equates to an income loss of £9,891.

Although income from sales through MTL Trading Arm was up on the previous year this trend came to a halt in December 2022 with no further income from that month onwards. This is a direct result of the Association ceasing its MTL trading business at the Centre in November that year.

Expenditure

Expenditure was significantly up from £46,141 in the previous financial year to £68,863 which equates to an expenditure increase of £22,722.

This increase is due to factors including the payment of staff enhanced statutory redundancy and outstanding holiday pay. At the same time the Association continued to pay utility and other necessary bills PLUS Legal Fees, Staff end of contract wages and required Staff Enhanced Statutory Redundancy pay, increases in the cost of utility bills especially around energy costs, community activities and legal costs.

NET RESULT

This has meant that, for the first time, expenditure has exceeded income i.e. Income £38,058, expenditure £68,863 = a deficit of £30,805

The Association has always aimed and succeeded in meeting the Charity Commission's recommendation of the level of financial reserves required. However, the situation faced by the Association has required it to use a significant sum of moneys from its adjusted reserves to meet the increase in expenditure and loss of income.

Adjusted reserves at the end of financial year 31st March 2022 amounted to £41,956. At the end of this financial year the adjusted reserves had fallen to £11,231 a reduction of £30,725.

It is anticipated that the reserves will increase during the next financial year after the sale of the Trading Arm's stock and any financial settlement with the Parish Council. This will go towards supporting the future aims of the Charity

Prepared by:

Ron Grantham Treasurer to Markfield Community Association
Markfield Community Association
28/1/2024

APPROVED

Approved and signed by:

J.Bryan Trustee

S. Beesley Trustee

R. Grantham Trustee

D. Grantham Trustee

Receipts and Payment Account for Financial Year ending 31st March 2023

This report has been circulated to all current Trustees for their approval.

UNRESTRICTED FUNDS

	2021/2022	2022/2023
Receipts	£	£
Lettings	41956	33578
Grant Aid	13932	0
Refundable Hire Deposits	0	0
Refreshment Sales	674	1030
Community Grant	0	1451
MTL Loan Repayments	0	0
Other	374	2000
Total Receipts	47949	38058

	2021/2022	2022/2023
Payments	£	£
Telephone	996	1093
Gas	2660	3737
Electricity	1131	3085
Water	4584	247
Liability Insurance	283	283
Labour	29516	47258*
Maintenance	995	1143
ESPO Equipment Purchases	580	721
New Equipment	56	462
Refreshment Purchases	1140	738
Hire Deposits Refund	0	80
Licenses	**	2473
MTL Loan	0	0
Community Activities	1491	4099
Solicitors Fees	500	830
Miscellaneous Payments	2209	2188
Bank Charges	0	104
Website Fees	**	172
DBS Checks	**	50
Computer Security	**	100
Total Payments	£46,141	£68,863

* Includes staff redundancy and outstanding holiday pay

** Previously included in Miscellaneous payments

Net deficit surplus of receipts over payments - £30,805

Reserves at 31st March 2023 £11,366

Statement of Assets and Liabilities

Adjusted Reserves as at 31st March 2023 £11,231

Prepared by:

R.E.Grantham Chair/Treasurer to Markfield Community Association Date: 28/1/2024