



THE TORCH ASSOCIATION

TRUSTEES' REPORT AND ACCOUNTS FOR YEAR ENDED 31st MARCH 2022

Charity Registration No. 515527



THE TORCH ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Registered Charity Name	THE TORCH ASSOCIATION
Charity Number	515527
Trustees	Mr Brian Massey MBE (Chairman) Mr John Robinson Mrs Bryony Gibson
Hon. Treasurer	Dr Howard Forrest White Gates Cottage Elvaston Park Road Hexham Northumberland NE46 2HT
Principal Address	Torch Centre Corbridge Road Hexham Northumberland NE46 1QS
Bankers	Barclays Priestpopple Hexham Northumberland NE46 1PE



CONTENTS

	Page
Trustees' Annual Report	1-2
Independent Examiner's Report	3
Statement of Financial Activities	4
Balance Sheet	5
Notes to the Accounts	6-9

Trustees' Annual Report

Year ending 31 March 2022

Formation of the Charity

The Charity was established through a Charitable Trust Deed dated 13th September 1984.

Objectives of the Charity

The relief of illness and suffering of all disabled persons resident in a defined local area of Tynedale and beyond by providing, managing and maintaining a Centre for recreation or other leisure time occupation and in particular by providing facilities for competitive and non- competitive sports.

Administration

The names of the Trustees of the Association are provided above. Where vacancies arise, they are advertised externally and among the Trustees' personal contacts.

In order to strengthen the breadth of expertise at Trustee level it is intended to apply for an amendment to the Constitution to allow for the appointment of up to two further Trustees.

The administration of the Charity is conducted through a Management Committee, working in accordance with the current constitution approved in July 2017, and meeting quarterly under the chairmanship of one of the Trustees, Mr Brian Massey.

Organisation

There are two employees, one a part time administrator and the other a part time caretaker/cleaner/barman.

Management

The Management Committee continues to focus on and address the following issues:

1. The need to raise the profile of the Torch Centre within the town of Hexham.
2. The need to increase income to meet the cost of repairs and maintenance on the building.
3. The need to maximise the use of the letting rooms and bar.
4. The procurement of grants to carry out substantial repairs and improvements to the building.

Risk Assessment

The Management Committee duly considered all the risks to which the Charity is exposed and was satisfied that it had in place appropriate measures to mitigate any exposure to such risks.

These risks include any ongoing Covid lockdown restrictions, any falling usage with resultant drop in income and any unexpected maintenance and capital expenditure.

Financial Performance

With the easing of the pandemic, limited reopening of the Torch Centre was possible from March. However, it was a slow, gradual process, which suffered further setbacks when the Omicron variant arrived in the winter. Consequently, rental income struggled to reach pre-Pandemic levels and the bar was just open for limited periods.

However, the charity was able to take advantage of £10.7k from two Government Business Support Grants, plus the Job Retention Scheme continued through to September providing £4.7k in support of salary payments. In addition, Torch was also fortunate to receive £3.1k of unrestricted donations from several grant awarding bodies.

As a result, the net reserves improved significantly, rising by £6,165 to end the year at £19,772.

Strategic Review

Since March 2022, usage of the Centre has approached pre-Covid levels. However, current and forecast inflationary pressures will inevitably result in increased costs. Indeed, salaries have already risen by 6.6% in line with national minimum wage levels. Suppliers to Torch, of goods and services will, no doubt, be looking to raise prices. However, regarding utilities the good news is Torch has fixed price contracts in place for both electricity (until October 2023) and gas (until August 2025) supplies.

Modest increases in rental have been introduced from April. But further, more substantial, increases may be required as the year progresses.

The improved reserves will provide an invaluable cushion in the current difficult financial climate; but it will be necessary to monitor the position closely as the year proceeds.

Reserves Policy

The Trustees conduct a review annually to ensure that there are sufficient funds to maintain the charity's financial stability and ongoing development. The Trustees' reserves policy is to ensure the charity holds unrestricted free reserves, after taking account of any fixed assets which are required for ongoing use, equivalent to the cost of closing the charity.

As mentioned above, at the year end, net reserves stood at £19,772, significantly above the target level of £14,000 set following the Annual Reserves Review. Current reserves held, post closure costs, provide in excess of six months of unrestricted operating expenditure.

Serious incidents

During the year, there were no serious incidents recorded which the Trustees were required to report to the Charity Commission.

Public Benefit Statement

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the Torch Association's charitable purpose and objectives.

Brian Massey

Trustee and Chairman of the Management Committee
June 2022

**Independent Examiner's Report
to the Trustees of THE TORCH ASSOCIATION**

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 31 March 2022 which are set out on pages 4 to 9.

Respective responsibilities of trustees and examiner

As the charity trustees of the Trust, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Charities Act 2011 Act and in carrying out my examination, I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 130 of the Act or
- the accounts do not accord with the accounting records

I draw attention to the accounting policies and annual report of the trustees, which highlight the progress following the Covid-19 pandemic. My opinion is not modified in respect of this matter.

As set out in these accounting policies under "going concern", the trustees have considered the impact of returning to normal operating following the pandemic and economic downturn, along with all other activities on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

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



Philip Graham Hall CPFA

12 Kingswood Park
Bonsor Drive
Tadworth
Surrey
KT20 6AY
Date: 27 June 2022



THE TORCH ASSOCIATION

Statement of Financial Activities including Income & Expenditure Account for the Year Ended March 2022

	Notes	2022			2021
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
Income					
Donations & Fund raising	2	13,799	1,000	14,799	34,988
Investment Income	3	3	0	3	12
Charitable Activities	4	15,326	4,675	20,000	10,761
Total Income		29,128	5,675	34,802	45,761
Expenditure					
Charitable Activities	5&10	23,347	4,675	28,022	43,122
Total Expenditure		23,347	4,675	28,022	43,122
Net Movement in Funds		5,780	1,000	6,780	2,639
Total funds brought forward		148,421	0	148,421	145,782
Total funds carried forward		154,201	1,000	155,201	148,421



THE TORCH ASSOCIATION


Balance Sheet as at 31st March 2022

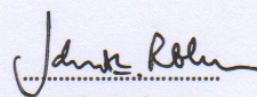
	Notes	<u>2022</u>	<u>2021</u>
Fixed Assets			
Tangible assets	8	134,429	134,804
Current Assets			
Stocks		1,525	551
Cash in bank & at hand		<u>22,047</u>	<u>22,982</u>
Total Current Assets		23,572	23,534
Liabilities			
Creditors: due within one year	9	2,800	9,917
Net Current Assets		20,772	13,617
Total Assets less current liabilities		<u>155,201</u>	<u>148,421</u>

Represented by

Fixed Assets	134,429	134,804
Unrestricted Reserves	19,772	13,617
Restricted Reserves	<u>1,000</u>	<u>0</u>
Total Funds	<u>155,201</u>	<u>148,421</u>

The Accounts were approved by the Trustees on...22/6/2022...


Mr Brian Massey
Trustee


Mr John Robinson
Trustee



THE TORCH ASSOCIATION

Notes to the Accounts for the Year Ended 31st March 2022

Note

1 Accounting Policies

1.1 Basis of preparation

The Financial Statements have been prepared under the historical cost convention and comply with the Companies Act 2006, Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

1.2 Incoming resources

Donations, fund raising and charitable activities are recognised when received by the charity.

1.3 Resources expended

All expenditure is recognised by the charity when the liability has been incurred. Expenditure is recognised on an accruals basis as a liability is incurred. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include accountancy fees and costs linked to the strategic management of the charity.

1.4 Tangible fixed assets and depreciation

The amount of the Leasehold Building being depreciated is the original cost (£148,679) less its expected residual value (£130k); depreciated in equal instalments over 50 years. All earlier Equipment and Fixtures & Fittings purchased have now been fully depreciated. New purchases are fully written down in the year of purchase.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Accumulated Funds

Restricted funds are subject to specific conditions by donors as to how they may be used.

1.7 Impact of the Covid Pandemic

As the pandemic eased, reopening of the centre was possible, although the Omicron variant created further issues later in the year. Consequently, rental income has still to return to previous levels. However, the charity was able to take advantage of Government Business Support Grants (£10.7k) and the Job Retention Scheme continued through to September providing £4.7k in support of salary payments. In addition, Torch received £3.1k of unrestricted donations from a number of grant awarding bodies. As a result, reserves further improved from £13.6k to £19.8k at the year end, reasonably above the new target level of £14k. However, the Trustees feel this cushion is valuable given the uncertain economic outlook with looming inflation and energy cost rises.

1.8 Going Concern

Usage of the Centre since March 2022 is close to pre Covid levels. However, cost pressures are certain to increase given the current & forecast economic conditions. Modest rental price increases have been introduced and further rises may be necessary later. Regarding energy costs, fixed priced contracts are in place for the 2022-23 financial year. In addition, the increased reserves level mentioned above provide a further cushion. Consequently, the Trustees are of the opinion the charity will have sufficient resources to meet its liabilities as they fall due in the coming year and consider it appropriate to prepare the accounts on a going concern basis.

2 Donations & Fundraising

	2022			2021
	Unrestricted Funds	Restricted Funds	Total Funds	
Government Business Support Grants	10,667		10,667	24,138
William Webster Charitable Trust			0	1000
Joicey Trust			0	2600
Willan Trust			0	4000
Catherine Cookson Charitable Trust			0	500
Hexham Rotary			0	250
Henry Bell Trust	400		400	400
Sybil Ridley Legacy			0	100
Northumberland Community Chest			0	2000
Hexham Town Council		1,000	1,000	
Bridge Club Donation	250		250	
Hiscox	482		482	
Straker Trust	2,000		2,000	
TOTAL	13,799	1,000	14,799	34,988

3	Investment Income		
		<u>2022</u>	<u>2021</u>
	Interest Receivable	3	12
4	Income from Charitable Activities		
		<u>2022</u>	<u>2021</u>
	HMRC Job Retention Scheme	4,675	14,205
	Bar Sales (net – see below)	-5,674	-7,335
	Subscriptions	0	0
	Room Hire & Club Rent	21,000	3,892
	TOTAL	20,000	10,761
	Bar Profit & Loss		
	Income	6,138	0
	Opening stock	551	1,248
	Purchases	7,452	963
	Closing stock	-1,525	-551
	Cost of sales	6,478	1,659
	Gross Margin	-339	-1,659
	Expenditure		
	Salaries	3,263	0
	Cleaning	128	0
	Utilities	811	1,006
	TV Licence	159	157
	Repairs & Maintenance	750	3,900
	Insurance	162	254
	Performing Rights Society	0	0
	Security	61	359
		5,334	5,676
	Contribution/Loss	-5,674	-7,335
5	Expenditure		
		<u>2022</u>	<u>2021</u>
	Charitable Activities		
	General Expenditure	28,022	43,122
	Auditors	0	0
	TOTAL	28,022	43,122

6	Trustees - Remuneration	0	0		
7	Employees	<u>2022</u>	<u>2021</u>		
		2	525		
8	Tangible Fixed Assets	Leasehold Building	Equipment	Fix & Fit	TOTAL
	Cost				
	At 1 April 2021 and at 31 March 2022	148,679	9,142	11,504	169,325
	Depreciation				
	At 1 April 2021	13,875	9,142	11,504	34,521
	Charge for Year	375	0	0	375
	At 31 March 2022	14,250	9,142	11,504	34,896
	Net Book Value				
	31 st March 2022	134,429	0	0	134,429
	31 st March 2021	134,804	0	0	134,804
9	Creditors: within one year	<u>2022</u>	<u>2021</u>		
	Trade Creditors	2,800	9,917		
10	Expenditure Analysis	<u>2022</u>			<u>2021</u>
		Unrestricted Funds	Restricted Funds	Total	
	Salaries	13,817	4,675	18,492	19,373
	Cleaning	724		724	963
	Utilities	4,593		4,593	3,019
	Post/Telephone	1,231		1,231	1,747
	Repairs & Maintenance	1,339		1,339	15,807
	Insurance	920		920	762
	PRS	0		0	0
	Security	348		348	1,076
	Misc	0		0	0
	Depreciation	375		375	375
		<u>23,347</u>	<u>4,675</u>	<u>28,022</u>	<u>43,122</u>