

**REGISTERED COMPANY NUMBER: 04164949**  
**REGISTERED CHARITY NUMBER: 1085867**

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021  
FOR  
MERTON VOLUNTARY SERVICE COUNCIL**

**MERTON VOLUNTARY SERVICE COUNCIL**

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FOR THE YEAR ENDED 31 MARCH 2021**

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## **MERTON VOLUNTARY SERVICE COUNCIL**

### **LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 MARCH 2021**

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#### **REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

04164949 (England and Wales)

**Registered Charity number**

1085867

**Trading Name**

Merton Connected

**Registered office**

The Vestry Hall  
London Road  
Mitcham  
Surrey  
CR4 3UD

**Auditors**

Myrus Smith Chartered Accountants  
Norman House  
8 Burnell Road  
Sutton  
Surrey  
SM1 4BW

**Bankers**

Unity Trust Bank  
Nine Brindleyplace  
4 Oozells Square  
Birmingham  
B1 2HB

**Investments**

CCLA Investment Management Ltd  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

**Solicitors**

Russell-Cooke  
3 Putney High Street  
Putney  
London  
SW15 6AB

## **MERTON VOLUNTARY SERVICE COUNCIL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021**

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The Trustees (who are also directors of the charitable company for the purposes of the Companies Act 2006) are pleased to present their annual Trustees Report, together with the audited financial statements for the year ending 31 March 2021, 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 applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and UK Generally Accepted Accounting Practice.

#### **PRINCIPAL ACTIVITY**

The charitable company's principal activity for the year, which is ultimately the objects set out in the Articles of Association was to provide practical support to voluntary and community organisations, liaison and advocacy, community engagement, development, standard setting, strategic partnership working and fund management.

#### **Public Benefit**

The Trustees have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. We believe that we have complied with this; and seek to demonstrate this within this report. Our objects and funding limit the services we provide to those detailed in our charitable objectives.

A detailed review of the Charity's activities is set out further in this report.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

Merton Voluntary Service Council (MVSC) is a registered charity and company limited by guarantee. MVSC has ensured effective governance throughout the year, following all provisions and procedures in its Memorandum and Articles of Association.

Membership of MVSC is open to local voluntary, community and faith organisations, which meet the criteria for membership. There are currently 144 formal organisation members each of whom agree to contribute £1 in the unlikely event of the Charity winding up and being insolvent.

##### **Appointment of new Trustees**

The Trustee Board is made up of not less than five and no more than fifteen persons elected by MVSC members. The Trustee Board is also able to co-opt additional members and appoint up to two Trustees to fill skills gaps. Members of the Trustee Board are nominated by MVSC member organisations and are elected at Annual General Meetings. Trustees co-opted by the board during the year must be confirmed in post at the AGM. The Trustee Board elects a Chair, Vice-Chair, Honorary Treasurer, Company Secretary and any other officers it wishes.

##### **Trustee recruitment and induction**

New Trustees are provided with an induction programme led by the Chief Executive Officer and are also provided with a copy of the Memorandum and Articles of Association and the latest Annual Report and Financial Statements. The induction programme includes a briefing on their obligations under company and charity law, the decision-making processes within MVSC, the Business and Strategic Plans, and information relating to operational and financial management. They also have the opportunity to meet all employees. Trustees are also encouraged to participate in appropriate external training events where these will facilitate the undertaking of their role. A Register of Interests for Trustees and paid staff is maintained and updated annually.

## MERTON VOLUNTARY SERVICE COUNCIL

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

The Board of Trustees governs the Charity. The Board meets every 8-12 weeks with task and finish groups being established to look at specific issues and report back. All task and finish groups have clear terms of reference, which are agreed by the Board before they are established.

All Trustees give their time voluntarily and receive no benefits from the Charity apart from reimbursed expenses set out in Note 11 in the accounts. The Trustees serving during the year and to the date of this report were as follows: -

Susanette Mansour	Resigned 19 March 2021
Brian Dillon	Chair from 19 March 2021
Nuzhat Ali	Resigned 19 March 2021
Abisola Fafolu	
Barbara Price	Resigned 19 March 2021
Ben Wilkins	Treasurer from 19 March 2021
Annie Wilson	
Robert Lightfoot	
Wendy Pridmore	
Kate Wignall	Appointed – 19 March 2021

A scheme of delegated powers is maintained, detailing how powers and decision-making are delegated to the Chief Executive Officer and Senior Management Team.

#### Management of MVSC

The Trustees provide policy and strategic leadership and guidance to the organisation. Day to day management and decision making of the Charity is delegated to the Chief Executive Officer who works closely with senior and other staff to fulfill the Charity's objectives and ensure the smooth and effective running of the organisation. The Chief Executive Officer reports to the Chair and the Board.

#### Senior Management Team

Simon Shimmens	Chief Executive Officer
Adwoa Fadahunsi	Head of Development and Volunteering
Dave Curtis	Head of Healthwatch Merton
Ben Halschka	Head of Social Prescribing

#### Pay policy for the Senior Management Team

All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in Notes 11 and 13 to the accounts.

The pay of the senior staff is reviewed annually and normally increased in line with a rate set by the Board of Trustees, considering available funding. In view of the nature of the Charity, the Trustees benchmark against pay levels in other voluntary organisations, other voluntary sector infrastructure organisations across London as well as with the public sector.

#### Related parties and co-operation with other organisations

None of our Trustees receive remuneration or other benefit from their work with the Charity. Any connection between a Trustee or a senior manager of the Charity with a supplier, funder or charitable organisation in the borough is disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party. Further details of any related party transactions can be found in Note 13 of the accounts.

#### Use of volunteers

One of the aims of the Charity is to match expressions of interest in volunteering to volunteer opportunities offered, with a focus on providing additional capacity to local voluntary and community organisations. MVSC continues to provide Home Visit Libraries volunteers under contract to the London Borough of Merton and has utilised its volunteer database to help initially resource the Merton Covid-19 Community Response Hub. MVSC is grateful for the support of the many volunteers who support local organisations and MVSC itself.

## **MERTON VOLUNTARY SERVICE COUNCIL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT – continued**

##### **Risk and internal control**

The Board of Trustees oversee a risk management policy, which is underpinned by:

- A Risk Register which is regularly reviewed by the Senior Management Team and Finance & General Purposes Committee
- An annual review by the Board of Trustees of the major risks which the Charity may have to face in the following year
- The establishment of systems and procedures for mitigating those risks and
- The implementation of appropriate actions to minimise the potential impact on the Charity should any of those major risks materialise.

The Risk Register includes both strategic and operational risks. Examples of strategic risks are stability and security of funding streams, adequacy of cash flow, impact of Covid-19 across all aspects of MVSC activities, financial challenges arising from future government spending reviews and in particular the impact of Brexit on government grant funding. The current risk register was updated 6 November 2020 and is due for review at the next Board meeting in December 2021.

The Board of Trustees is confident therefore that its established risk management regime enables it to identify and quantify the major risks to which the Charity is exposed and that MVSC has established systems to mitigate those risks. It is of the view that MVSC has the necessary stable financial and operational structure needed to monitor and manage effectively the ongoing changes and uncertainties in its local operating environment for the medium-term.

##### **AIMS**

Over the past year, MVSC has continued to inspire, support and develop the voluntary and community sector in Merton to enrich the lives of residents of the Borough.

Our key aims for the year were to very much to continue existing key aims:

- Work even more collaboratively with our strategic partners to support volunteering activity, with a focus on supporting pandemic related needs of residents and voluntary, community and faith organisations
- After success of achieving the year 2 Clinical Commissioning Group (CCG) Social Prescribing in all 6 Primary Care Network (PCN) areas of the borough, to continue to position MVSC in a strong position to win future contracts beyond year 2
- Continue contributing fully as an active member of the Merton Health and Care Together Board and look to play a key role in the Integrated Care Contract (ICS) work that will develop looking towards March 2023
- Progress the delivery of practical steps to open the Wellbeing Hub at the Wilson Hospital, in partnership with Steering Group, the CCG and Public Health
- Position Healthwatch Merton as an exemplar consumer health champion
- Continue to provide support to existing organisations and help the creation of new voluntary sector organisations, to strengthen and capacity build the voluntary, community and faith sector in Merton for the benefit of the residents they serve.

Our strategic aims looking forward to 2021/2022 were summarised in the MVSC Annual Review (2019-2021) as follows:

- **ENGAGEMENT** – Promote dialogue, listening and act for the voluntary sector
- **INFLUENCE** - Ensure community need are integrated into future commissioning of services
- **DEVELOPMENT** - Improve capacity and capability to enable the sector to emerge strongly from the pandemic

## **MERTON VOLUNTARY SERVICE COUNCIL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021**

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#### **STRATEGIC DIRECTION**

Some changes in our strategic direction and some key highlights for the year are as follows:

##### **Trustee Board**

Following a number of planned resignations and retirements at the 2019/20 AGM held on 19 March 2021 the Board has been looking to maintain its diversity and collective strength. One new trustee, Kate Wignall, was formally appointed at the AGM. Further recruitment activity for new trustees will be ongoing through the 2021.

Susanette Mansour stood down at the AGM from her position as Chair. Brian Dillon, the current Treasurer, was voted by the AGM to take on that role to devise and supervise an orderly process for the recruitment in due course of a new Chair.

Ben Wilkins was voted as Treasurer to replace Brian Dillon while Brian carries out the role of Chair.

##### **New Trading Name for MVSC**

A project was progressed during the year, working with the Trustee Board and the staff team, to consider re-branding MVSC after celebrating 35 years. As a result of the process Merton Connected was agreed to become the trading name of MVSC from April 2021. MVSC remains the legal entity and there is no intention to change this in the short term. In parallel with this, as mentioned in last year's report, a new website and database has been produced, launched in conjunction with the new trading name.

##### **Wilson Wellbeing initiative**

MVSC continues to support the plans to create a wellbeing hub on the Wilson Hospital site in Mitcham. It has key influence as a member of the Wilson Steering Group and provides a bank account to handle funds made available to progress the initiative. Considerable refurbishment of the wellbeing space took place in late 2020 prior to the pandemic requiring the space as a vaccination centre. The refurbished wellbeing space has had the benefit of providing a very positive experience for residents being vaccinated.

##### **Social Prescribing**

MVSC were successful in being awarded a year 2 contract in October 2020 for the team of 9 Social Prescribers supporting the 22 GP surgeries in the borough. The Social Prescribing team have modified their service during the pandemic, providing a largely over the phone service to patients.

##### **Merton Community Hub**

The Merton Community Response Hub was established on 23rd March 2020 to help isolated households and those at risk from Covid-19. MVSC, Wimbledon Guild, Age UK Merton and London Borough of Merton (LBM), plus local voluntary sector organisations, provided a helpline to support residents with services including:

- Support with shopping and basic supplies
- Help to get prescriptions and medication
- Telephone befriending
- Support to get advice on money and benefits
- Advice and practical help to stay active and independent at home.

LBM initially provided funding for the first year and subsequent funding has been provided to continue the Community Hub service for a second year.

##### **Merton Giving Fund**

In April 2020 the Merton Giving Coronavirus Fund was instigated to support local voluntary, community and faith organisations to adapt to Covid-19 restrictions and the challenges they were facing as a result of the pandemic. A total of 24 grant panels were held between April 2020 and March 2021, distributing £338,162 via 106 grants to 68 organisations. See Note 7.1 for full details.

## **MERTON VOLUNTARY SERVICE COUNCIL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021**

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#### **ACHIEVEMENT AND PERFORMANCE**

Each year the Charity develops an annual review, which details the key highlights and achievements to date. These accounts should be read in conjunction with that review.

##### **Providing support to voluntary, community, faith and social enterprise organisations:**

MVSC continues to provide significant support to other organisations, including:

- Using the reach of our website and regular e-bulletin, Merton Connected which has a distribution of over 4000, to ensure voluntary and community sector organisations are kept up to date with local news, funding and volunteering opportunities.
- Provision of over 800 hours of one to one support sessions to local voluntary, community and faith sector organisations on a variety of topics including, governance, safeguarding, income generation and quality standards.
- Supporting organisations to achieve over £420,000 of funding from a range of funders.

##### **Build social capital by supporting, developing and recognising volunteering and community action:**

Enhancing the diversity of social capital is key to MVSC activities and support provided to local organisations. Examples include:

- Supporting organisations to register and achieve either charitable or CIC status.
- Training sessions delivered on a variety of topics such as: Volunteer Recruitment, GDPR and Data Protection, Roles and Responsibilities of Trustees and Cyber Security.
- Matching volunteers to organisations requiring volunteer support and delivering volunteering outreach sessions, including providing DBS checks for vaccination centre volunteers for example.
- Home Visits Library Service – one part time paid member of staff and 25 volunteers, delivering thousands of books and audio books, reducing isolation and loneliness for over 300 housebound residents, including individuals living in residential homes. Providing a keep in touch service when deliveries were suspended during the pandemic.

##### **Identify changing and emerging need and respond with development:**

Evolving the services, we provide to respond to the needs of organisations and the wider operating environment. Examples include:

- Continuing to provide a comprehensive support service to new and established organisations, covering a wide range of operational management and governance issues, enabling existing and newly formed organisations to thrive and succeed.
- Contributing and influencing policy at borough level and across the wider health agenda locally, representing the views and issues of the sector, by senior team member presence on key boards, such as the Merton Health and Care Together Board.
- Continuing to strengthen links between the business sector and their community through the development of our Merton Giving programme, including using it as a vital source of over £338,000 of funding to voluntary and community sector organisations impacted by the Covid-19 pandemic.

##### **Promote, support and develop liaison, advocacy, joint working and strategic partnership between sectors:**

Being a strong advocate of partnership working and the power of collaboration. Examples include:

- Coordinating INVOLVE providing opportunities for networking and sharing information and best practice for the Voluntary Sector. Helping to lead innovation in the sector and opportunities for co-commissioning of future services.
- Working in partnership with 6 key voluntary sector organisations to successfully build and run the Community Hub in conjunction with the LBM and CCG teams.
- Supporting partnership and collaborative working between voluntary and public sector organisations. For example, taking a lead role in the Lunch Club/Community Café initiative and how it links to wider food provision at borough level.



## MERTON VOLUNTARY SERVICE COUNCIL

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

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#### ACHIEVEMENT AND PERFORMANCE - continued

##### Healthwatch

MVSC continued to deliver the Healthwatch service in Merton. Highlights included:

- **Reaching out** – 5,255 people engaged with us this year through social media, E-bulletins, planned sessions, with us at online community events and through using our website to find the advice and information they need and to be involved in local discussions.
- **Healthwatch Merton our hidden work**– to keep our finger on the pulse and enable us to give local people's voice a true platform at strategic and decision-making level locally; our team have been part of and/or attended over 30 uniquely different high-level board meetings/ committees/ task groups/ planning meetings etc. in the last year to keep local people's voice/ engagement top of the agenda.
- **Making a difference** - We published 2 reports and provided 12 well received monthly E-bulletins with a total of 4,496 unique opens all containing a wealth of information on local and wider key information, promotion of events, health and social care wellbeing sessions, development and improvements, engagement opportunities, and much more.

##### Social Prescribing

MVSC has been delivering and developing the Social Prescribing model since 2016. 2020/2021 highlights include:

- Successful award of a year 2 Social Prescribing contract with all 6 Primary Care Networks (PCN's) representing 22 GP practices confirming their desire for further Social Prescribing delivery by MVSC.
- The Social Prescribing team has successfully worked remotely during lockdown, including coordinating emergency prescriptions for residents who were self-isolating due to the Covid-19 pandemic. 288 households got access to prescriptions and medication during lockdown. The team also provided continuing support to patients, predominantly remotely via telephone.
- Over 5,900 welfare calls were made to patients in support of individual GP surgery needs. Data and feedback from patients on the impact of Social Prescribing reflected that the service produced a 77% increase in patients wellbeing

#### CURRENT PERFORMANCE PRIORITIES

The Covid-19 pandemic impacted throughout the financial year, which heavily influenced short-term priorities, including:

- Continued support of the Community Response Hub in conjunction with LBM, CCG and voluntary sector partners to support needs of residents during lockdown, including via supporting Age UK Merton and Wimbledon Guild to be successful in being awarded a contract to run these services from June 2021.
- Significant further work to support the Merton Giving Coronavirus fund to support local voluntary, community and faith groups. As of March 2021, £338,162 was awarded to 68 organisations via 106 grants. To also achieve a £150,000 grant from National Lottery Community Fund as part of ongoing funding to be able to launch Phase 3 of the Merton Giving Fund from June 2021.
- To take the Voluntary, Community and Faith sector lead for the Integrated Care System (ICS), due to be implemented in April 2023. To represent the best interests of the sector by being part of the Transition Team, plus organizing communications and forums to inform and listen to sector concerns and opportunities.

## MERTON VOLUNTARY SERVICE COUNCIL

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

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#### FUTURE PLANS

##### MVSC's Mission

***To inspire and develop an excellent voluntary and community sector in Merton***

MVSC's Objects are:

1. To promote any charitable purposes for the benefit of the public, principally but not exclusively in the local government area of the London Borough of Merton, in particular the advancement of education, the furtherance of health, and the relief of poverty, distress and sickness
2. To build the capacity of third sector organisations and provide them with the necessary support, information and services to enable them to pursue or contribute to any charitable purpose.
3. To promote, organise and facilitate co-operation and partnership working between third sector, statutory and other relevant bodies in the achievement of the above purposes within the area of benefit.

The impact of the pandemic on the voluntary sector has remained significant during the last financial year, with many services unable to operate during lockdown periods and with continued restrictions. MVSC has continued to focus its efforts and resources to support the sector, with continued Development and Volunteering team support, the continued activity of Healthwatch Merton and providing flexibility in the way the Social Prescribing team continue to support GP surgery teams and patients. In addition, the resource investment in the Community Hub and the Merton Giving scheme have provided important support for residents and organisations.

On a very positive note, the impact of voluntary sector organisations, volunteers and the way MVSC can communicate and engage with the sector has been widely recognized as a strength within the borough, with key funders of the sector such as LBM and CCG publicly valuing the contribution of the sector, with intention to help develop community based services which the voluntary sector provide as a key part of a preventative layer of support for residents.

Activity included setting up at very short notice a Coronavirus Community Hub in conjunction with partners from the public sector and voluntary/community sectors. Additionally, MVSC with its partner, the Chamber of Commerce, created a Coronavirus fund to assist local voluntary sector organisations to both adapt their services and survive through the lockdown period. These additional activities have been very successful since March 2020 and are a demonstration of MVSC's ability to continue to deliver services in difficult times and support the local voluntary sector in line with its objectives.

Following the Trustee Strategy event on 25 September 2020 strategic planning for the 2020/21 financial year and beyond included confirming the underpinning aims of MVSC to:

1. Provide support to voluntary, community, faith and social enterprise organisations
2. Build social capital by supporting and developing volunteering and community action
3. Identify changing and emerging need and respond with development
4. Promote, support and develop liaison, advocacy, joint working and strategic partnership between sectors
5. Promote quality through standard setting
6. Ensure sustainability.

Appreciating that strategic outcomes may need to continue to be flexible due to the continuing impact of the pandemic, the key outcomes from 2020/21 remain for the 2021/22-year, namely:

1. To utilise our connections, networks, partnerships and information gathering systems to identify local needs, understand what's effective, create cohesive proactive plans, implement activities and measure change
2. To announce clearly the changes in our service and new ways of working to ensure clarity to the people of Merton and our stakeholders
3. To update and improve our communication channels and websites, social media and public presence
4. To have clear internal leadership and structure for the team with transparent communication.

The overarching themes of Leadership, Partnership and Innovation, combined with recent experience of working even more closely in partnership with other organisations, has provided a useful blueprint for the coming year, albeit that the ability to plan accurately will be influenced by the continued impact of the pandemic. ICS will affect the sector over the coming years and importantly, MVSC is positioned at the 'top table' (transition team) to represent the sector.

## MERTON VOLUNTARY SERVICE COUNCIL

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

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#### FINANCIAL REVIEW

##### Financial Statements

The financial statements, including the notes, have been prepared in compliance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102). The analysis of income and expenditure reflects the classification of activities, together with costs relating to administration.

##### Statement of Financial Activities

The Statement of Financial Activities is shown on page 16 with a more detailed analysis of income and expenditure within the notes to the financial statements. Total incoming resources for the year increased to £1,483,083 (2020: £1,578,878). Grants and contract income for this year was £1,367,568 (2020: £1,543,018) this is split between £669,066 (2020: £1,136,658) restricted funding, £698,502 (2020: £406,360) unrestricted funding and also a range of grants funds which MVSC manages on behalf of the public sector, including holding and distributing funds. The total of these grant for distribution to third parties is recognised as restricted income, however it is worthwhile noting that these funds are not used in direct charitable expenditure rather given to organisations as grants. During this year the total of this income was £357,324 (2020: £799,160).

Donations this year have increased significantly to £68,171 (2020: £525) due to the Covid-19 pandemic and the fundraising efforts made within our Merton Giving scheme, which is run in partnership with the Merton Chamber of Commerce.

The total expenditure for the year was £1,309,745 (2020: £779,930). The increase of £529,815 is attributable primarily to the significant number of Grants Given to Local Organisations of £338,162 (2020: £36,884), details of which can be seen in Note 7.1, Direct Project Costs £94,593 (2020: £76,343) and an increase in staff costs of £210,666.

##### Balance Sheet

The net effect of the above has led to an operating surplus of £173,338 before unrealised actuarial loss of £3,606 (2020: operating surplus of £798,948 before unrealised actuarial gains of £827). Overall reserves are £1,101,637 (2020: £931,905) with unrestricted reserves being £141,873 (2020: £51,869) after providing for the defined benefit pension liability of £59,283 as at 31 March 2021. This represents a significant improvement on the prior year.

##### Restricted Reserves - £959,764

These funds represent grants and contract sums provided to MVSC to fund specific expenditure in agreed areas of work. They are the outstanding amounts waiting to be spent. They cannot be used for any other purpose without the agreement of the grantor or contracting commissioner.

The largest restricted balance item at 31 March 2021 is the MVSC 2025 Fund (£759,160) – received towards the previous financial year-end from the Sutton & Merton CCG's Charitable Fund. Expenditure from this Fund will be small grants and assistance to local voluntary organisations providing services within the Borough of Merton to residents and patients. This programme, managed through Merton Giving, is planned to start in the autumn of 2021. Full details of all restricted funds can be seen in Notes 23 and 24.

##### Unrestricted reserves - £141,873

Unrestricted reserves are available to spend on activities that further any of the purposes of the Charity. Such costs can include programme, fund-raising, management and administration as well as the cost of meeting any future shortfalls in restricted fund activities. These funds are the accumulated balances arising from cost savings and income generation relating to the core functions of MVSC. They also include sums budgeted by the Board of Trustees to be set aside to meet known future cost threats.

The Board of Trustees considers that the total of accumulated unrestricted reserves needs to be sufficient to ensure:

- The full funding of adverse changes in income and unavoidable increases in costs which otherwise would result in an overall in-year deficit
- That the core of the organisation can be sustained for up to 6 months should all funding from projects be lost and that it has sufficient resources to cease operations in an orderly and efficient manner should this be required.
- The funding of the Pension Deficit repayment that would need to be met in the event of the organisation closing.

## **MERTON VOLUNTARY SERVICE COUNCIL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Reserves Policy**

The Board of Trustees reviews the reserves policy annually and seeks to maintain a minimum balance of unrestricted reserves equivalent to six months of budgeted core net operating costs (including the uncovered pension deficit under FRS102). This equals £92,300 for this financial year.

Currently unrestricted reserves at the year-end stand at £201,156 less £59,283 set aside for the future pension liability repayments, giving a net unrestricted free reserves figure of £141,873, a surplus of £49,573 over the target unrestricted reserves figure for this financial year.

This surplus will ensure that MVSC can continue to provide guidance and assistance to the local community and achieve future growth in line with MVSC's strategic and sustainability plans,

Unrestricted funds also need to be set aside for future major investment (e.g. systems and equipment and other infrastructure assets). There are no plans for making such investments at the date of this Trustee's Report. No part of the balance of unrestricted funds has been designated for a particular purpose by the Board of Trustees.

MVSC adopts the following principles in relation to ongoing project funding:

- Planning for staffing changes will be undertaken such that when project funding ends ongoing staffing expenditure will not need to be met from unrestricted reserves.
- In exceptional circumstances where Trustees expressly wish that activity to continue and have a reasonable expectation that new funds will be received, unrestricted reserves may be used to sustain posts for a limited period.
- The level of core infrastructure of the organisation (telephones, IT, premises, administrative support etc.) will be reviewed when project funding is likely to end such that, where possible, the infrastructure in place does not exceed the needs of activities.
- Projected redundancy costs for all project staff are included in project funding budgets to avoid the need to fund redundancy costs from general reserves.

MVSC does not consider its fixed assets to be freely convertible and does not include the value of fixed assets in its calculation of working capital.

The Board of Trustees will continue to monitor the effectiveness of its Reserves Policy so that it remains relevant to its current and future position. The next review of the reserves policy will be undertaken at the February 2022 Board meeting, however given the current Covid-19 pandemic, the Trustees are constantly reviewing the Charity's reserve and cash flow levels.

Details of the various reserves and their movements are set out in more detail in Note 23, 24 and 25 on pages 30 to 36.

#### **Going Concern**

The Board of Trustees is of the view that forecast expenditure to 31 March 2022 will be fully funded from currently approved grants and contracts and from reasonably expected future funding from the same and similar sources. The Board also notes the increased cover available from MVSC's reserves. This view has been taken in the wider context of a slowly improving local and national economy as the country emerges from the Covid-19 restrictions and post-Brexit issues are resolved.

Looking further ahead into 2022, 12 months from the date of the Audit of the 2020/21 Accounts as required by International Standards on Auditing ISA 570 (Revised), the Board of Trustees remains confident that the Council and the local NHS funding bodies will continue to commission MVSC to provide specific direct services to the local community. Examples are the current Healthwatch and Social Prescribing services agreements and, with partner organisations, provision of the Merton Community Hub service

Secondly MVSC is directly funded by the Council to provide business and funding advice to front-line voluntary organisations who can better reach and provide services to vulnerable local communities and individuals. The Board of Trustees is confident that this funding will continue throughout 2022/23.

## MERTON VOLUNTARY SERVICE COUNCIL

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

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#### FINANCIAL REVIEW - continued

##### Investment Policy and Objectives

The Board of Trustees seeks to retain a prudent sum of cash in the Bank Current Account sufficient to cover two months gross income on unrestricted activities and one month's income on restricted activities. For 2020/21 this required an average balance £150,000. The excess over this sum was placed in a short-term investment account, which offered more security than a current account and a marginally better rate of interest. Current account cash is managed to ensure availability to meet the short-term net budgeted expenditure needs and grant giving requirements.

Currently these excess funds are placed with Charity Offices Investment Fund (COIF) under their Charities Deposit Fund scheme. COIF is registered with the Financial Conduct Authority under the Financial Services and Markets Act 2000 (FSMA) and is an ethical investor. Aside from retaining a prudent amount in reserves each year, the Trustees conduct a review of the investment policy for MVSC on an annual basis.

When the Board of Trustees needs to make long-term investment decisions it will seek professional advice on the most appropriate and financially beneficial course of action.

##### Grant making policy

The Charity makes grants to a wide range of organisations who are either based in the London Borough of Merton and neighbouring or adjoining areas or have strong relationships in these areas with a proven track record of benefitting residents. We are particularly keen to help grassroots community groups and small-to-medium-sized voluntary organisations. We would always consider a proposal that has the potential to achieve substantial impact in our community and furthers our charitable objectives.

The Charity is not solely a grant making organisation. To ensure proper governance, the Board of Trustees have developed a grant making policy that sets out the principles, criteria and processes that govern how the Charity defines and makes grants. This includes when and to whom authority for making grants may be delegated and how information is reported back to the Board of Trustees.

All grant programmes are administered through Merton Giving, the organisation's charitable initiative with the Merton Chamber of Commerce. This initiative gives both groups applying for funding, and donors making contributions, a single point of reference. Criteria and process are described for each grant programme on Merton Giving's website and decisions are made by delegated panels to published timelines. <https://mertongiving.co.uk>

## **MERTON VOLUNTARY SERVICE COUNCIL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Trustees Responsibilities**

The Trustees (who are also the directors of Merton Voluntary Service Council for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) Including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

Company law requires the Charity's Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the Financial statements unless they are satisfied they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2019 (FRS102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping 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. They are 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Statement as to Disclosure of Information to Auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Auditors**

Myrus Smith was re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

#### **Small Companies**

This Trustees report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**Approved on behalf of the Board of Trustees on 5 November 2021**

**Brian Dillon - Chair and Trustee**

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MERTON VOLUNTARY SERVICE COUNCIL**

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### **Opinion**

We have audited the financial statements of Merton Voluntary Service Council (the 'charitable company') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MERTON VOLUNTARY SERVICE COUNCIL**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' annual report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.



## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MERTON VOLUNTARY SERVICE COUNCIL**

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### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but, is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance about actual and potential litigation or claims and the identification of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed

Kevin Fisher BA FCA CTA (Senior Statutory Auditor)  
For and on behalf of Myrus Smith  
Chartered Accountants and Statutory Auditors  
Norman House  
8 Burnell Road  
Sutton  
Surrey  
SM1 4BW

**19 November 2021**

**MERTON VOLUNTARY SERVICE COUNCIL**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
<b>INCOME</b>					
Donations	2	55	68,116	68,171	525
Income from charitable activities	5				
Grants and contracts		698,502	669,066	1,367,568	1,543,018
Other trading activities					
Other income	4	46,899	-	46,899	34,464
Investments	3	445	-	445	871
<b>Total Income</b>		<b>745,901</b>	<b>737,182</b>	<b>1,483,083</b>	<b>1,578,878</b>
<b>EXPENDITURE</b>					
Charitable activities:	6				
Expenditure on Activities		652,291	657,454	1,309,745	779,930
<b>Total Expenditure</b>		<b>652,291</b>	<b>657,454</b>	<b>1,309,745</b>	<b>779,930</b>
<b>Operating Surplus</b>		93,610	79,728	173,338	798,948
Actuarial (losses)/gains on defined benefit scheme	14	(3,606)	-	(3,606)	827
<b>NET INCOME</b>		90,004	79,728	169,732	799,775
Transfers between funds		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>	24	<b>90,004</b>	<b>79,728</b>	<b>169,732</b>	<b>799,775</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>TOTAL FUNDS BROUGHT FORWARD</b>	24	<b>51,869</b>	<b>880,036</b>	<b>931,905</b>	<b>132,130</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>141,873</b>	<b>959,764</b>	<b>1,101,637</b>	<b>931,905</b>

All income and expenditure is derived from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year

The notes on pages 19 to 36 form part of these financial statements

**MERTON VOLUNTARY SERVICE COUNCIL**

**BALANCE SHEET  
AT 31 MARCH 2021**

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Intangible assets	16	16,140	-
Tangible assets	17	<u>1,272</u>	<u>2,543</u>
		17,412	2,543
<b>CURRENT ASSETS</b>			
Debtors	18	206,419	112,230
Cash at bank		<u>1,143,336</u>	<u>1,061,867</u>
		1,349,755	1,174,097
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	19	(221,249)	(189,058)
<b>NET CURRENT ASSETS</b>		<u>1,128,506</u>	<u>985,039</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,145,918	987,582
<b>PENSION LIABILITY</b>	20	(44,281)	(55,677)
<b>NET ASSETS</b>		<u><u>1,101,637</u></u>	<u><u>931,905</u></u>
<b>TOTAL FUNDS OF THE CHARITY</b>	23/24		
Unrestricted funds		141,873	51,869
Restricted funds		<u>959,764</u>	<u>880,036</u>
<b>TOTAL FUNDS</b>		<u><u>1,101,637</u></u>	<u><u>931,905</u></u>

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

Approved by the Board of Trustees on **5 November 2021** and signed on its behalf by:

.....  
**Brian Dillon - Chair and Trustee**

.....  
**Ben Wilkins – Honorary Treasurer and Trustee**

The notes on pages 19 to 36 form part of these financial statements

**MERTON VOLUNTARY SERVICE COUNCIL**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

	<b>2021 £</b>	<b>2020 £</b>
<b>Net cash provided by operating activities</b>	<u>97,164</u>	<u>806,572</u>
	97,164	806,572
<b>Cash flows from investing activities</b>		
Interest from Investments	445	871
Purchase of intangible assets	<u>(16,140)</u>	<u>-</u>
<b>Net cash provided by investing activities</b>	<u>(15,695)</u>	<u>871</u>
	81,469	807,443
<b>Cash and cash equivalents at the start of the year</b>	<u>1,061,867</u>	<u>254,424</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><b>1,143,336</b></u>	<u><b>1,061,867</b></u>
 <b>Reconciliation of net movement in funds to net cash flow from operating activities</b>		
	<b>2021 £</b>	<b>2020 £</b>
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	169,732	799,775
Adjustments for:		
Add back depreciation charge	1,271	1,777
Interest from investments	(445)	(871)
(Increase) in debtors	(94,189)	(41,428)
Increase in creditors	32,191	62,711
(Decrease) in pension charge	<u>(11,396)</u>	<u>(15,392)</u>
<b>Net cash used in operating activities</b>	<u><b>97,164</b></u>	<u><b>806,572</b></u>
<b>Analysis of cash and cash equivalents</b>		
	<b>2021 £</b>	<b>2020 £</b>
Bank and cash in hand	<u>1,143,336</u>	<u>1,061,867</u>
<b>Total cash and cash equivalents</b>	<u><b>1,143,336</b></u>	<u><b>1,061,867</b></u>

The notes on pages 19 to 36 form part of these financial statements

## MERTON VOLUNTARY SERVICE COUNCIL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 1. ACCOUNTING POLICIES

##### **Company status**

Merton Voluntary Service Council is a charitable company limited by guarantee and registered in England and Wales. The registered office and company registration number are detailed on page 1.

##### **Basis of preparation**

Merton Voluntary Service Council meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are presented in sterling, which is the functional currency of the Charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

##### **Preparation of the accounts on a going concern basis**

The financial statements are prepared on a going concern basis under the historical cost convention modified to include certain items at fair value. The Trustees have made this assessment considering the Charity's unrestricted reserves, secured funding going forward and current and planned activities.

##### **Income**

All income is recognised in the Statement of Financial Activities when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably. Income received in advance of a project or other specified service is deferred until the criteria for income recognition are met (see Note 21)

##### **Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of engaging professionals to support with preparation of funding bids.
- Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the Charity and their associated support costs.

##### **Donated services and facilities**

Donated professional services and donated 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. In accordance with the Charities SORP 2019 (FRS 102), the general volunteer time contributed is not recognised and refer to the Trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated 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.

Other expenditure represents those items not falling into any other heading.

##### **Allocation of support costs**

Expenditure includes those costs of a direct nature, which can be allocated to a specific activity. It also includes indirect costs, including governance costs that do not relate to a specific activity but are necessary to support those activities. Support costs are apportioned on the basis of staff time.

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support MVSC's charitable activities.

## MERTON VOLUNTARY SERVICE COUNCIL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 1. ACCOUNTING POLICIES – continued

##### **Pension costs and other post-retirement benefits**

The Charity contributes 5% to a defined contribution pension scheme for all of its employees. Contributions payable to the Charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Please refer to Note 14 for further details on Pension arrangements.

##### **Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

##### **Fund accounting**

The unrestricted funds are available to spend on activities that further any of the purposes of Charity. Designated funds are unrestricted funds of the Charity, which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations, which the donor has specified, are to be solely used for particular areas of the Charity's work or for specific projects being undertaken by the Charity or funds, which are raised for particular restricted purposes.

##### **Corporation Taxation**

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

##### **Intangible fixed assets**

Intangible fixed assets include the development of a new website and database. The estimated useful years and amortisation method of the intangible assets are calculated on a straight-line basis as follows:

<b>Asset Category</b>	<b>Annual Rate</b>
Website	20% on cost
Database	20% on cost

##### **Tangible fixed assets**

Individual fixed assets costing £2,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight-line basis as follows:

<b>Asset Category</b>	<b>Annual Rate</b>
Computer and office equipment	33% on cost

##### **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

##### **Cash at bank in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

##### **Creditors and provisions**

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 after allowing for any trade discounts due.

##### **Financial instruments**

The Charity only 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 with the exception of bank loans, which are subsequently measured at amortised cost using the effective interest method.

##### **Operating leases**

The Charity classifies the lease of the offices in Vestry Hall as operating leases; rental charges are charged on a straight-line basis over the term of the lease.

**MERTON VOLUNTARY SERVICE COUNCIL****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2021****2. INCOME FROM DONATIONS AND LEGACIES**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Donations	<u>68,171</u>	<u>525</u>
	<u>68,171</u>	<u>525</u>

Income from Donations was £68,171 (2020: £525) of which £55 was unrestricted (2020: £525) and £68,116 was restricted (2020: £nil).

**3. INVESTMENT INCOME**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest received	<u>445</u>	<u>871</u>

All of the Charity's investment income of £445 (2020: £871) arises from money held in interest bearing deposit accounts and is unrestricted.

**4. INCOME EARNED FROM OTHER ACTIVITIES**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fayre & Square takings	-	4,948
Service Income	41,107	24,124
Other income	<u>5,792</u>	<u>5,392</u>
	<u>46,899</u>	<u>34,464</u>

Income earned from other activities was £46,899 (2020: £34,464) of which £46,899 was unrestricted (2020: £34,464) and £nil was restricted (2020 £nil).

**MERTON VOLUNTARY SERVICE COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2021**

**5. INCOME FROM CHARITABLE ACTIVITIES**

Grants and contract received are as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Unrestricted</b>		
Community Links Bromley	8,000	-
Good Things Foundation Contract	5,913	-
LBM – Covid-19 Community Response Hub	38,689	-
LBM – Notional Rent	37,949	37,949
LBM – Strategic Partner Fund Contract	175,000	175,000
LBM – Volunteering in Libraries Contract	17,750	17,750
Merton Clinical Commissioning Group – Social Prescribing Contract	410,701	172,661
Others	<u>4,500</u>	<u>3,000</u>
	<u>698,502</u>	<u>406,360</u>
<b>Restricted – Project based</b>		
City Bridge Trust – Development Work Grant	61,500	26,667
City Bridge Trust – Merton Giving Grant	54,917	23,750
GLA – Young Londoners Fund Local Networks Grant	36,825	39,900
Merton Clinical Commissioning Group – Community Navigator Grant	-	20,184
Merton Clinical Commissioning Group – Social Prescribing Grant	-	49,997
LBM – Healthwatch Grant	125,000	125,000
Clarion Futures – Youth Action Grant	-	5,000
Trust for London Grant	13,500	27,000
Wimbledon Foundation Grant	<u>20,000</u>	<u>20,000</u>
	311,742	337,498
<b>Restricted - Grants for third parties</b>		
Clarion Futures	40,000	-
LBM – Merton Partnership Community Giving Grants	262,324	40,000
Moat Homes Limited	25,000	-
Sutton and Merton CCGs' Charitable Funds	-	759,160
Wimbledon Foundation	<u>30,000</u>	<u>-</u>
	357,324	799,160
<b>Total Restricted</b>	<u>669,066</u>	<u>1,136,658</u>
<b>Total Income from Charitable Activities</b>	<u><b>1,367,568</b></u>	<u><b>1,543,018</b></u>

MVSC manages a range of grant funds on behalf of the public sector, including holding and distributing funds. The total of these grant funds is recognised in restricted income, shown above, however it is worthwhile noting that these funds are not used in direct charitable expenditure rather given to organisations as grants. During this year the total of this income was £357,324 (2020: £799,160).



**MERTON VOLUNTARY SERVICE COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2021**

**6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

	<b>Direct Charitable Expenditure</b>	<b>Support Costs</b>	<b>Total</b>	<b>Total</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General Activities	626,515	25,776	<b>652,291</b>	405,739
City Bridge Trust – Development Work	54,611	3,417	<b>58,028</b>	23,716
City Bridge Trust – Merton Giving	53,100	3,210	<b>56,310</b>	20,399
Clarion Futures – Youth Action	-	-	-	6,338
Community Navigator	-	-	-	20,184
Greater London Volunteering – Young Londoner	30,742	4,830	<b>35,572</b>	37,571
LBM - Healthwatch	96,627	21,164	<b>117,791</b>	131,363
LBM – Healthy Schools Events	-	-	-	879
Merton CCG – Social Prescribing	15,066	-	<b>15,066</b>	57,012
LBM - Quality Assurance	3,325	-	<b>3,325</b>	-
LBM - Youth Action/Volunteering	-	-	-	3,717
Trust for London	12,820	708	<b>13,528</b>	25,499
Voluntary Sector Small Grant Development	339,145	-	<b>339,145</b>	26,884
Wimbledon Foundation Enable & Connect	-	-	-	507
Wimbledon Foundation	18,689	-	<b>18,689</b>	20,122
	<u>1,250,640</u>	<u>59,105</u>	<u><b>1,309,745</b></u>	<u>779,930</u>

Of the total expenditure of £1,309,745 (2020: £779,930), £657,454 was in respect of restricted funds (2020: £374,191) and £652,291 was in respect of unrestricted funds (2020: £405,739).

**7. DIRECT CHARITABLE EXPENDITURE**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Staff and related costs	715,189	500,266
Direct Project costs	94,593	76,343
Grants Given (details Note 7.1)	338,162	36,884
Premises and hall hire costs	42,450	50,174
Office costs	37,647	31,467
Professional fees and other costs	<u>22,599</u>	<u>74</u>
	<u>1,250,640</u>	<u>695,208</u>

**MERTON VOLUNTARY SERVICE COUNCIL****NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2021****7.1. GRANTS GIVEN**

The following institutions were given cumulative grants in the year:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Accoutre Centre for Learning	5,000	-
AFC Wimbledon Foundation	10,415	-
African Educational Cultural Health Organisation	5,000	-
Ashdon Jazz Academy	6,789	-
Association for the Polish Family	5,400	-
ATS Creative Academy CIC	5,158	-
Attic Theatre Company	6,385	-
Commonside Community Development Trust	7,160	-
Ethnic Minority Centre	8,254	-
Fayre & Square Wimbledon	7,515	-
Focus 4 1	5,000	-
Hearts and Mind	15,000	-
Inner Strength Network CIC	5,000	-
Jigsaw4U	11,695	-
Lantern Arts Centre	7,315	-
Maggie's at the Royal Marsden	6,720	-
Merton and Mitcham Division Girlguiding	5,000	-
Merton and Morden Guild	8,500	-
Merton Centre for Independent Living	5,386	-
Merton Community Transport	21,756	-
Merton Home Tutoring Services	5,000	-
Mitcham Town Community Trust	6,500	-
MSJ Student Charity	8,176	-
Positive Network Community Project	10,000	-
Sherwood Park Hall CIC	8,407	-
Somali Community CIC	9,678	-
South London Tamil Welfare Group	6,045	-
Sustainable Merton	10,000	-
Tooting and Mitcham Community Sports Club Ltd	12,500	-
Unique Talent	6,800	-
Small grants of up to £5,000 were made to 39 institutions (2020:29)	96,608	36,884
	<u>338,162</u>	<u>36,884</u>

**MERTON VOLUNTARY SERVICE COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2021**

**8. SUPPORT COSTS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Staff and related costs	30,193	46,675
Premises and hall hire costs	2,405	7,187
Office costs	11,309	6,963
Professional fees and other costs	11,907	20,155
Governance costs	<u>3,291</u>	<u>3,742</u>
	<u><u>59,105</u></u>	<u><u>84,722</u></u>

**9. GOVERNANCE COSTS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Audit fees	3,024	3,024
Committee & Strategic Planning costs	<u>267</u>	<u>718</u>
	<u><u>3,291</u></u>	<u><u>3,742</u></u>

**10. NET INCOMING/(OUTGOING) RESOURCES**

Net resources are stated after charging/(crediting):

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Audit fees	3,024	3,024
Operating lease rentals	41,857	41,857
Depreciation	<u>1,271</u>	<u>1,777</u>

**11. STAFF COSTS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	577,773	403,677
Social security costs	51,286	19,439
Pension costs	<u>24,927</u>	<u>20,204</u>
	<u><u>653,986</u></u>	<u><u>443,320</u></u>

No employee had employee benefits in excess of £60,000 (2020: Nil). Pension costs are allocated to activities in proportion to the related staffing costs incurred.

The Charity Trustees were not paid or received any other benefits from employment with the Charity in the year (2020: £nil) neither were they reimbursed expenses during the year (2020: £nil). No Charity trustee received payment for professional or other services supplied to the Charity (2020: £nil).

The key management personnel of the Charity are detailed on page 3 of the Trustees Report.

The total employee remuneration of the key management personnel of the Charity was £66,897 (2020: £55,889). Under FRS 102, total employee benefits include gross pay, benefits in kind, employer's national insurance contributions and employers pension costs.

## MERTON VOLUNTARY SERVICE COUNCIL

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

#### 12. STAFF NUMBERS

The average monthly number of employees (including casual and part time staff) during the year was as follows:

	2021 Numbers	2020 Numbers
Senior Management Team	4	4
Other Direct Charitable Staff	<u>14</u>	<u>10</u>
	<u>18</u>	<u>14</u>

#### 13. TRANSACTIONS AND RELATED PARTIES

There were no related party transactions during the year or the previous year, other than the remuneration of key management personnel set out in Note 11.

#### 14. PENSION COSTS

The charitable company has a defined contribution pension scheme, which all employees are entitled to join. Previously, the charitable company operated a defined benefit scheme, which is now closed to new members. This is a multi-employer scheme operated by TPT Retirement Solutions and, whilst it is not possible to estimate the share of the assets and liabilities of the scheme attributable to Merton Voluntary Service Council, TPT Retirement Solutions has estimated that the employers' debt on withdrawal liability at the most recent annual funding update of 30 September 2020 would have been £175,666. (30 September 2019: £188,562).

Every three years, the Trustee of TPT Retirement Solutions undertakes a full valuation of the Plan and makes a thorough assessment of the funding position before undertaking any action as deemed appropriate. A full actuarial valuation for the scheme was carried out at 30 September 2020 and it reported that the Plan's deficit had reduced to £33.3m from £57.6m.

The Trustee, following advice from the Actuary, has now implement a new recovery plan. Under the new plan, the total deficit contributions due from employers will reduce from 1 April 2022 and each employer's share of the new amount will continue to be based on its own percentage share of the Plan's liabilities. The deficit contributions will be £3.98m per annum from 1 April 2022. No annual increase will be applied to these contributions and the recovery plan will remain unchanged, with an end date of 31 January 2025.

The Charity's Trustees consider that it is unlikely that any liability will crystallise in relation to this in the foreseeable future. Under FRS102, provision is required for the net present value of any agreed deficit recovery plan contributions relating to the Plan.

During the year ended 31 March 2021, payments have continued to be made in accordance with this plan and the provision for the net present value of deficit contributions was £59,283 (2020: £70,242).

**MERTON VOLUNTARY SERVICE COUNCIL****NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2021****14. PENSION COSTS - continued**

The amounts recognised in the statement of financial activities are as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net interest from net defined asset/liability	<u>1,579</u>	<u>1,078</u>
	<u>1,579</u>	<u>1,078</u>

Changes in the present value of the defined benefit obligation are as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Defined benefit obligation	(70,242)	(85,210)
Contribution by scheme participants	14,565	14,141
Interest Cost	(1,579)	(1,078)
Re-measurement from changes in financial assumptions	<u>(2,027)</u>	<u>1,905</u>
	<u>(59,283)</u>	<u>(70,242)</u>

The amounts recognised in other recognised gains and losses are as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Actuarial (losses)/gain from changes in financial assumptions	<u>(3,606)</u>	<u>827</u>
	<u>(3,606)</u>	<u>827</u>

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Discount rate	<u>0.66%</u>	<u>1.39%</u>

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

**15. CORPORATION TAX**

As a registered charity MVSC is exempt from Corporation Tax in respect of its investment and charitable income and in respect of capital gains.

**MERTON VOLUNTARY SERVICE COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2021**

**16. INTANGIBLE FIXED ASSETS**

	<b>Website £</b>	<b>Database £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 April 2020	-	-	-
Additions	<u>10,200</u>	<u>5,940</u>	<u>16,140</u>
At 31 March 2021	<u>10,200</u>	<u>5,940</u>	<u>16,140</u>
<b>AMORTISATION</b>			
At 1 April 2020	-	-	-
Charge for year	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET BOOK VALUE</b>			
At 31 March 2021	<u>10,200</u>	<u>5,940</u>	<u>13,080</u>
At 31 March 2020	<u>-</u>	<u>-</u>	<u>-</u>

**17. TANGIBLE FIXED ASSETS**

	<b>Computer &amp; Office equipment £</b>	<b>Totals £</b>
<b>COST</b>		
At 1 April 2020	36,601	36,601
Additions	<u>-</u>	<u>-</u>
At 31 March 2021	<u>36,601</u>	<u>36,601</u>
<b>DEPRECIATION</b>		
At 1 April 2020	34,058	34,058
Charge for year	<u>1,271</u>	<u>1,271</u>
At 31 March 2021	<u>35,329</u>	<u>35,329</u>
<b>NET BOOK VALUE</b>		
At 31 March 2021	<u>1,272</u>	<u>1,272</u>
At 31 March 2020	<u>2,543</u>	<u>2,543</u>

**MERTON VOLUNTARY SERVICE COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2021**

**18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade debtors	121,033	97,104
Accrued Income	55,008	-
Prepayments	<u>30,378</u>	<u>15,126</u>
	<u>206,419</u>	<u>112,230</u>

**19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	68,456	7,842
Funds held on behalf of other organisations	24,782	38,069
Other creditors	3,097	4,666
Grant holding account	-	35,330
Accrued expenses	3,183	6,541
Deferred income	106,729	82,045
Pensions	<u>15,002</u>	<u>14,565</u>
	<u>221,249</u>	<u>189,058</u>

**20. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Pension liabilities	<u>44,281</u>	<u>55,677</u>
	<u>44,281</u>	<u>55,677</u>

**21. DEFERRED INCOME**

	<b>Balance Brought Forward</b>	<b>Applied In Year</b>	<b>Deferred In Year</b>	<b>Balance Carried Forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deferred Income	<u>82,045</u>	<u>(113,711)</u>	<u>138,395</u>	<u>106,729</u>
	<u>82,045</u>	<u>(113,711)</u>	<u>138,395</u>	<u>106,729</u>

**22. OPERATING LEASE COMMITMENTS**

Total future minimum lease payments for non-cancellable operating leases are as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Expiring:		
Within one year	41,857	41,857
Between one and five years	101,154	143,011
More than five years	<u>-</u>	<u>-</u>
	<u>143,011</u>	<u>184,868</u>

The above commitments include service charges as well as rent.

**MERTON VOLUNTARY SERVICE COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2021**

**23. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Current year information for the net assets between funds:

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2021 Total Funds</b>	<b>2020 Total Funds</b>
	£	£	£	£
Fixed assets	16,140	1,272	17,412	2,543
Current assets	240,195	1,109,560	1,349,755	1,174,097
Current liabilities	(55,179)	(151,068)	(206,247)	(174,493)
Pension liability < 1 year	(15,002)	-	(15,002)	(14,565)
Pension liability > 1 year	(44,281)	-	(44,281)	(55,677)
	<u>141,873</u>	<u>959,764</u>	<u>1,101,637</u>	<u>931,905</u>

Comparative year information for the net assets between funds:

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2020 Total Funds</b>	<b>2019 Total Funds</b>
	£	£	£	£
Fixed assets	-	2,543	2,543	4,320
Current assets	172,254	1,001,843	1,174,097	325,226
Current liabilities	(50,143)	(124,350)	(174,493)	(112,206)
Pension liability < 1 year	(14,565)	-	(14,565)	(14,141)
Pension liability > 1 year	(55,677)	-	(55,677)	(71,069)
	<u>51,869</u>	<u>880,036</u>	<u>931,905</u>	<u>132,130</u>



**MERTON VOLUNTARY SERVICE COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2021**

**24. MOVEMENT IN FUNDS – Current Year**

	At 1/4/20 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
<b>Unrestricted funds</b>				
General fund	122,111	93,610	(14,565)	201,156
Pension fund	<u>(70,242)</u>	<u>(3,606)</u>	<u>14,565</u>	<u>(59,283)</u>
	51,869	90,004	-	141,873
<b>Restricted funds</b>				
Capacity Building - Trust for London	2,250	(28)	-	2,222
City Bridge Trust – Development Work	2,951	3,472	-	6,423
City Bridge Trust – Merton Giving	3,351	(1,393)	-	1,958
GLA – Young Londoners Network	2,329	1,253	-	3,582
LBM – Healthwatch	2,581	7,209	-	9,790
LBM – Merton Partnership Community Giving	47,167	-	(47,167)	-
LBM – Quality Assurance	15,744	(3,325)	-	12,419
Merton Giving Grant Distribution Fund	-	86,295	47,167	133,462
Social Prescribing Project	44,625	(15,066)	-	29,559
Sutton and Merton CCG - MVSC 2025 fund	759,160	-	-	759,160
Wimbledon Foundation - Merton Skill-Up	<u>(122)</u>	<u>1,311</u>	<u>-</u>	<u>1,189</u>
	<u>880,036</u>	<u>79,728</u>	<u>-</u>	<u>959,764</u>
<b>TOTAL FUNDS</b>	<u>931,905</u>	<u>169,732</u>	<u>-</u>	<u>1,101,637</u>

**MERTON VOLUNTARY SERVICE COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2021**

**24. MOVEMENT IN FUNDS – Current Year**

Net movement in funds for the current year are as follows:

	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Gains and losses £</b>	<b>Movement in funds £</b>
<b>Unrestricted funds</b>				
General fund	745,901	(652,291)	-	93,610
Pension fund	-	-	(3,606)	(3,606)
	<u>745,901</u>	<u>(652,291)</u>	<u>(3,606)</u>	<u>90,004</u>
<b>Restricted funds</b>				
Capacity Building - Trust for London	13,500	(13,528)	-	(28)
City Bridge Trust – Development Work	61,500	(58,028)	-	3,472
City Bridge Trust – Merton Giving	54,917	(56,310)	-	(1,393)
GLA – Young Londoners Network	36,825	(35,572)	-	1,253
LBM – Healthwatch	125,000	(117,791)	-	7,209
LBM – Quality Assurance	-	(3,325)	-	(3,325)
Merton Giving Grant Distribution Fund	425,440	(339,145)	-	86,295
Social Prescribing Project	-	(15,066)	-	(15,066)
Sutton and Merton CCG - MVSC 2025 fund	-	-	-	-
Wimbledon Foundation - Merton Skill-Up	20,000	(18,689)	-	1,311
	<u>737,182</u>	<u>(657,454)</u>	<u>-</u>	<u>79,728</u>
<b>TOTAL FUNDS</b>	<u><b>1,483,083</b></u>	<u><b>(1,309,745)</b></u>	<u><b>(3,606)</b></u>	<u><b>169,732</b></u>

**MERTON VOLUNTARY SERVICE COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2021**

**24. MOVEMENT IN FUNDS – Previous Year**

Comparative year information:

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
<b>Unrestricted funds</b>				
General fund	97,555	36,481	(11,925)	122,111
Pension fund	(85,210)	827	14,141	(70,242)
	12,345	37,308	2,216	51,869
<b>Restricted funds</b>				
Capacity Building - Trust for London	749	1,501	-	2,250
City Bridge Trust – Development Work	-	2,951	-	2,951
City Bridge Trust – Merton Giving	-	3,351	-	3,351
Clarion Futures - Youth Action	(574)	(1,338)	1,912	-
Community Navigator	3,812	-	(3,812)	-
GLA – Young Londoners Network	-	2,329	-	2,329
LBM – Healthwatch	-	(6,363)	8,944	2,581
LBM – Healthwatch – Young People’s Health	3,944	-	(3,944)	-
LBM – Healthy School Events	879	(879)	-	-
LBM – Merton Partnership Community Giving	29,000	13,116	5,051	47,167
LBM – Quality Assurance	15,744	-	-	15,744
LBM – Young Action Programme	5,629	(3,717)	(1,912)	-
Local Estate Allocation fund	5,051	-	(5,051)	-
Merton CCG – Healthwatch Young People Health	5,000	-	(5,000)	-
Social Prescribing Project	47,828	(7,015)	3,812	44,625
Sutton and Merton CCG - MVSC 2025 fund	-	759,160	-	759,160
Voluntary Sector Grants	1,000	-	(1,000)	-
Wandsworth CCG – Healthwatch Grass Roots	1,216	-	(1,216)	-
Wimbledon Foundation – Enable & Connect	507	(507)	-	-
Wimbledon Foundation - Merton Skill-Up	-	(122)	-	(122)
	119,785	762,467	(2,216)	880,036
<b>TOTAL FUNDS</b>	<u>132,130</u>	<u>799,775</u>	<u>-</u>	<u>931,905</u>

**MERTON VOLUNTARY SERVICE COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2021**

**24. MOVEMENT IN FUNDS – Previous Year**

Net movement in funds for the comparative year are as follows:

	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Gains and losses £</b>	<b>Movement in funds £</b>
<b>Unrestricted funds</b>				
General fund	442,220	(405,739)	-	36,481
Pension fund	-	-	827	827
	<u>442,220</u>	<u>(405,739)</u>	<u>827</u>	<u>37,308</u>
<b>Restricted funds</b>				
Capacity Building - Trust for London	27,000	(25,499)	-	1,501
City Bridge Trust – Development Work	26,667	(23,716)	-	2,951
City Bridge Trust – Merton Giving	23,750	(20,399)	-	3,351
Clarion Futures - Youth Action	5,000	(6,338)	-	(1,338)
Community Navigator	20,184	(20,184)	-	-
GLA – Young Londoners Network	39,900	(37,571)	-	2,329
LBM – Healthwatch	125,000	(131,363)	-	(6,363)
LBM – Healthwatch – Young People's Health	-	-	-	-
LBM – Healthy School Events	-	(879)	-	(879)
LBM – Merton Partnership Community Giving	40,000	(26,884)	-	13,116
LBM – Quality Assurance	-	-	-	-
LBM – Youth Action Programme	-	(3,717)	-	(3,717)
Local Estate Allocation fund	-	-	-	-
Merton CCG – Healthwatch Young People Health	-	-	-	-
Social Prescribing Project	49,997	(57,012)	-	(7,015)
Sutton and Merton CCG - MVSC 2025 fund	759,160	-	-	759,160
Voluntary Sector Grants	-	-	-	-
Wandsworth CCG – Healthwatch Grass Roots	-	-	-	-
Wimbledon Foundation – Enable & Connect	-	(507)	-	(507)
Wimbledon Foundation - Merton Skill-Up	20,000	(20,122)	-	(122)
	<u>1,136,658</u>	<u>(374,191)</u>	<u>-</u>	<u>762,467</u>
<b>TOTAL FUNDS</b>	<u><b>1,578,878</b></u>	<u><b>(779,930)</b></u>	<u><b>827</b></u>	<u><b>799,775</b></u>

## MERTON VOLUNTARY SERVICE COUNCIL

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

#### 25. FUNDS

##### RESTRICTED FUNDS

The surpluses/deficits on restricted funds arise because of timing differences where funding has been received in advance of expenditure and will be utilised over the duration of the relevant projects. The restricted funds recognised in these accounts were provided for the following purposes:

Name of restricted fund	Description, nature and purposes of the fund
Capacity Building – Trust for London	To enhance the knowledge and skills of local BAME organisations with regards to housing, planning and regeneration issues, enabling them to better support their members and BAME residents to present and campaign on the issues that affect them.
City Bridge Trust – Development Work	This project provides organisational development support to voluntary sector organisations in the borough, to enable them to grow and maximise their impact upon the local community.
City Bridge Trust – Merton Giving	The element of the City Bridge Trust funding provides funding to both MVSC and Merton Chamber to jointly generate income and arrange subsequent grant funding rounds through the Merton Giving fund. The funding targets and outcomes have been over-achieved as a result of the recent Merton Giving Coronavirus Fund activity.
Greater London Authority – Young Londoner Network Project	YLF Network project is a three-year programme supported by the Mayor of Londoners fund, aimed at building the capacity and quality of Voluntary Sector youth provision across the South West London sub-region. Through training, peer support, partnership and collaboration the programme seeks to ensure Young People across the sub-region have a variety of good quality activities and projects to participate in that will help them to achieve and develop into well balanced, civically active, adults.
LBM - Healthwatch	Healthwatch is the consumer champion for health and social care services in Merton.
LBM – Merton Quality Assurance	We secured funding from London Borough of Merton to provide quality assurance and partnership support for the voluntary sector.
LBM – Youth Action Programme	To support and encourage a minimum of 20 local young people (age 14 -25) to engage in community action and undertake voluntary roles in their local communities. This fund is now finished.
Merton Giving Grant Distribution Fund	During the current year grant funding was received from Clarion Futures, London Borough of Merton, Moat Homes Limited and Wimbledon Foundation, along with public donations and fundraising events. This funding, along with the balance of £47,167 from the LBM – Merton Partnership Community Giving fund from the previous year, was then used to support local organisations in the Borough in the way of small grants to assist during the Covid-19 pandemic.

## MERTON VOLUNTARY SERVICE COUNCIL

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

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#### 25. FUNDS – continued

Name of restricted fund	Description, nature and purposes of the fund
Social Prescribing Project	Merton Council and Merton CCG provided MVSC with funding to run a project, which connected patients at three East Merton GP practices with services in the community provided by voluntary organisations. Grant funding ended in September 2019 and a new expanded social prescribing contract was negotiated with the CCG from October 2019. The remaining balance on the 2019 fund will be used for future work within Social Prescribing in the borough.
Sutton and Merton CCG - MVSC 2025 fund	These funds were transferred to MVSC in February and March 2020 from an 'umbrella' charity managed by the Sutton and Merton CCGs. The transferred funds will be managed by MVSC and channeled through Merton Giving as grants to voluntary organisations and other not-for-profit bodies within the Borough of Merton to provide services with a focus on supporting residents and patients accessing local health and wellbeing services. In particular MVSC will be promoting the development of social prescribing services throughout the Borough and undertaking other activities, taking advice from the local Primary Care Networks.
Wimbledon Foundation – Merton Skill-Up	MVSC have provided a programme of targeted support to local organisations to improve their skills and knowledge in a range of areas, including governance and their ability to raise funds.

#### 26. CAPITAL COMMITMENTS

The Charity has authorised and contracted for expenditure of £Nil. The Charity has authorised but not contracted for expenditure of £Nil in its capital budget for the upcoming year.

#### 27. CONTINGENT ASSETS

Total grant funding awarded as at 31 March but not yet received and recognised as income due to the recognition criteria not being met amounts to £558,700.

#### 28. LEGAL STATUS OF THE CHARITY

Merton Voluntary Service Council is a private company (Company No: 04164949) incorporated in Great Britain and registered in England and Wales. The company is limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the Legal and Administrative Information on page 1.