



South Mitcham Community Association Annual Report 2021

SMCA COMPANY NUMBER 4668105
SMCA CHARITY NUMBER 1101681

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Foreword

Welcome to our annual report for 2020/21. It has been a unique and challenging year for SMCA, the community we serve and for the country as a whole. It is a sad fact that a number of charities across the UK will not have been able to withstand the many pressures presented by the Covid-19 pandemic and the charitable sector and the people it serves will be the poorer for it.

2020 marked our Ruby Anniversary but planned celebrations necessarily had to be put on hold. Throughout this unprecedented period of uncertainty our priority has been the health and well-being of our staff and the community we serve and it was with great sadness that we had to close our doors to our community users in March 2020. Thanks to the dedication of our staff, trustees and volunteers we are now emerging from lockdown and beginning to welcome back some user groups on a staged basis. The Board of Directors continues to monitor the situation closely so SMCA can respond to changing circumstances quickly as they arise.

On the financial front, with very little income to defray continued outgoings, monitoring SMCA's finances has been a priority for the Board. Our grants from the London Borough of Merton (LBM) and the Government's Job Retention Scheme have sustained us through this very difficult period.

Throughout the year we have remained very busy dealing with the Covid-19 safety compliance requirements, on-going maintenance issues and we have also been reviewing and refreshing many of our in-house policies to better support us going forward. In autumn we recruited three new trustees who combine expertise and experience of the charitable sector, HR and volunteering. They have hit the ground running and are already making a very welcome contribution to board discussions and our operational performance.

As well as welcoming our new trustees we have also said goodbye to others. Sadly, we lost our dear friend and Treasurer Fred Day who died in June 2020. Fred was an important part of life at SMCA for many years and we were very fortunate to be able to rely on his expertise for so long. In April 2021, Pastor Arthur Campbell retired as Chair after more than 10 years' dedicated service to SMCA. We offer him our thanks for all his work on behalf of SMCA which we know remains very dear to his heart. Merle Mohammed has also stepped down from the Board after many years' service. We thank Merle for her contribution to the Board over the years and look forward to our continued association with her as she continues as a member of the Social Committee.

Going forward we have much to do. I would like to take this opportunity to thank all the SMCA's staff, trustees and volunteers for their hard work, commitment and dedication in such a busy and demanding year, and their willingness to meet the challenges of the year ahead.

Pat Harrison

Acting Chair

Purpose and Impact

SMCA exists to promote voluntary and community action as a means of improving the quality of life for people in LBM by;

- Helping to improve the quality of life for local families and individuals across LBM;
- Offering a range of activities for leisure and learning to support our local community;
- Providing a healthy living centre in the heart of Phipps Bridge Estate; and
- Offering opportunities for leisure and learning, serving all families and individuals borough wide, especially those in areas of social and economic deprivation and those from disadvantaged groups.

Throughout the year at any one time there has been just one duty staff member working alone. They have shown resilience, commitment and a determination *“to keep the show on the road”* ensuring routine and essential maintenance and administrative tasks were carried out. In addition, although SMCA was not open to the public for the year being reported on, we continued to provide support to local community users where we could. Support included:

- Working with partners, SMCA helped a number of families on low incomes with referrals for food and household necessities;
- Setting up a donation scheme with a local branch of Sainsbury's to collect donated food and distribute it to local families in need;
- Supporting regular activity/client groups by working with their group leaders to prepare Covid-19 risk assessments to facilitate their return to the community centre when restrictions were lifted;
- Successfully applying for funding to provide free activities for local children in the school holidays;
- SMCA worked with, and supported, La Petite Fleur Pre-School Nursery, based on our premises, enabling it to continue to provide childcare to local families, enabling the parents to return to work, including in the NHS.

Under the terms of its grant from LBM, SMCA is required to provide LBM with 6-monthly monitoring returns providing feedback on the impact we have had against our objectives.

Financial Report Year ended 31st March 2021

SMCA received a grant of £41,210 from LBM. This grant supported expenditure on office staff salaries. All other costs would normally have been met from income generated by SMCA, mainly from room hire to user groups. Our non-LBM income was therefore negligible and our funds were severely depleted. The resulting loss of income, coupled with our regular outgoings, meant that the Board had to monitor SMCA's finances evermore closely and be prepared to face some difficult decisions. By way of illustration, in the year ending 31 March 2020, our income from lettings, including storage, was £67,969. For this financial year our income from lettings, including storage was just £5,470. The financial assistance from the Government's Job Retention Scheme was vital in helping SMCA avoid the need for redundancies over the past year.

SMCA's remuneration policy reflects the National Minimum Wage, the level of responsibility and skills required by the role, and local pay rates, balanced with affordability. Throughout the period covered by the report SMCA topped up the Job Retention Scheme grant to 100% of basic salary for furloughed staff.

Like many other organisations we made an unsuccessful claim on our insurance policy for losses due to business interruption.

We are also grateful to a private supporter of our educational activities and to our funders this year who have been Groundwork and Clarion Housing.

We produce a separate and independently examined Report and Financial Statement for each financial year. A summary of the main points from that report is given below. As the Community Centre was closed for the financial year, the summary is necessarily short.

The Statement of Financial Activities shows a net deficit for the year of £13,297. SMCA's Reserves stand at £139,254. The reasons for holding Reserves relate to the 4 Cs below:

- Contingency: unexpected expenditure in the event of an emergency;
- Cash-flow: situations where a bill has to be paid before the money to cover the payment has been received;
- Commitment: a commitment to expenditure which cannot be covered by the annual income;
- Closure: the charity becomes financially unsustainable and has to be wound up.

Throughout the year SMCA's Reserves were maintained at the level required by our Reserves policy or higher in order to meet any of the 4Cs above.

Expenditure was mainly taken up by staff salaries, and associated infrastructure costs e.g., utilities and general expenses necessary to keep the Community Centre functioning and in a state of readiness to welcome back users in line with government restrictions.

Values and Ways of Working

During the year on which we report here, SMCA has begun a process of organisational and cultural change. A priority has been getting the basics right, ensuring that we have the systems, structures and processes in place to manage demand on our core functions and deliver high levels of customer service.

As part of our process of ongoing improvement we have contracted with Croner Advisory Service to provide advice and support services for our HR and H&S, providing us with 24/7 expert advice and access to a team of legal experts. This has been a very positive move enabling us to develop our HR policies and we have provided each member of staff with a personal copy of a comprehensive Employee Handbook and a Health and Safety Handbook. We have updated staff contracts to ensure legal compliance and alignment with best practice and have updated job descriptions for staff to better reflect their roles. The work continues, led by the Board's Development Working Group (DWG).

The DWG also began a comprehensive review of our H&S function and measures to support SMCA's resilience going forward. Working with Croner we have addressed a number of outstanding H&S issues. Of particular importance was our ability to work with Croner to achieve the Government's Covid-19 safety standards and the award of our Covid-19 Safe Workplace Certificate for SMCA's premises.

We encourage volunteers to help organize social and fundraising events. We also encourage user-feedback and copies of published documentation are available for reference purposes.

Going forward, key enabling factors will include developing our people, modernising our technology infrastructure, and improving our data to help inform our offering and assess its impact.

Operating Model and Risks

We adopt an inclusive approach by:

- Working in partnership with other community service providers, to provide and continually develop, a range of activities in response to local need and aspirations. Relevance and affordability are key to our work;
- Raising funds to sustain our varied programme so we can empower service-users to increase their skills and employability;
- Designing activities to attract, and actively involve, current and potential service users by engaging them in both fun and supportive activities at SMCA's community centre;
- Offering a broad range of activities, reflecting the diverse community we serve;

- Bringing people together for group activities, thereby reinforcing common interests, promoting inclusiveness, encouraging friendships and broadening horizons;
- Offering activities and services, leisure, learning and support at affordable prices;
- Working in a trustworthy and transparent manner;
- Developing our expertise and striving for an excellent standard of professional behaviour from all staff, volunteers and trustees;
- Helping to foster a culture of co-operation, understanding and tolerance within the diverse community in Mitcham; and
- Promoting volunteering as an integral part of life in Mitcham.

Risks

The operating conditions for SMCA are increasingly challenging. That said, we are determined to keep improving our operational performance. The Board is clear that SMCA must continue to work to deliver on its objectives meeting the high standards our users expect and deserve. Against this background the Board has begun work on a risk assessment health check looking to identify inherent risks such a dependence on key funders, the rationale for our reserves policy as well as external risks and the uncertainties associated with emerging from the Covid-19 pandemic.

Governance and Decision Making

The Board of Directors met each month via Zoom, with the exception of August, when we would normally have held our Annual General Meeting (AGM). Covid-19 restrictions meant that it was not possible to hold the AGM and a public notice explaining this was displayed so that those interested in attending were aware of the situation.

Directors have been encouraged to contribute their views and to offer challenge and to be challenged in return. The Board has maintained its appetite for healthy debate and discussion. The Treasurer's Report is a standing item on the Board meeting agenda reflecting the Board's prudent approach to financial management. A number of improvements were introduced in the reporting year to enhance the Board's oversight of SMCA's operations and to give assurance on service quality, observance of SMCA's values and compliance with standards and regulations. These improvements include:

- Access to professional HR and H&S advisory services to ensure compliance and alignment with best practice;
- The introduction of a Supervision role by one of the Directors, providing a closer link for staff with, and oversight by, the Board;
- Creation of a Trustee Induction Pack to promote understanding of the role and the standards and behaviours expected of a trustee;
- Circulating board papers at least one full week in advance of the meeting to allow more time to study the papers and prepare for the meeting;

- The creation of the DWG comprising a core of Directors to research issues and inform the future focus of the Board;
- A Governance Guiding Principles health check based on the National Code of Good Governance for the Voluntary Sector which reflects the seven Nolan principles of standards in public life. This work is ongoing.

Looking Ahead

While we enter the next phase of SMCA's journey of improvement with determination and optimism, it is important to highlight growing challenges. We must be realistic about the financial climate going forward. Against a background of reduced local authority and statutory funding, it is possible that LBM will be reviewing future funding and the benefits accruing from its investment in the community centres it supports. LBM may not only need to reduce support going forward but could well be looking to get more for less from its investment.

Given the significant lack of income during the year reported on, our funds are increasingly stretched and we need to ensure that we make our money work for us. Good practice guidance advises that charities should aim to have sufficient reserves to cover operating for 3 to 6 months as appropriate to enable it to wind up should the need arise. We propose to review our reserves policy to make sure that it reflects our situation going forward and enables us to respond to changing circumstances. We will seek to balance the level of reserves so that they are adequate for their purpose but not so great that they mitigate against securing funds from other sources.

We will look for new funding opportunities. SMCA currently receives small amounts of non-LBM funding to support some activities. This reflects an ad hoc rather than strategic approach to fund raising and SMCA recognizes that it may be missing opportunities to bring in more funds. We will work with Merton Connected to address delivery priorities and to find appropriate funding opportunities to support our priorities going forward.

SMCA is widely recognized as achieving a lot of good work with few resources. The Covid-19 pandemic has shown that the complexity of issues that London Boroughs will need to deal with is becoming ever greater. We will explore the scope for becoming more prominently involved in the wider landscape of LBM, working in collaboration with others to address the challenges and emerging priorities across the borough. As part of our succession planning, we will continue to recruit new trustees, looking to fill any skills gaps and focusing our efforts on finding trustees with the skills and experience that will best help us with future delivery.

The SMCA Team

Directors are all volunteers and are also Trustees of SMCA Charity.

Arthur Campbell	Chairman & Director (resigned April 2021)
Merle Mohammed	Vice Chair & Director (resigned April 2021)
Frederick Day FCA	Treasurer (deceased June 2020)
Barbara Holgate	Company Secretary, Director & Treasurer (from June 2020)
Pat Harrison	Director (Acting Chair from 19 April 2021)
Denise Daniels	Director
Rosie Fay	Director (Appointed October 2020)
Stephanie Phillips	Director (Appointed November 2020)
Anne-Marie Zaritsky	Director (Appointed November 2020)

Staff

Brenda Josiah	Community Centre Manager
Richard Hayward	Community Liaison & Weekend Caretaker
Trecia Kerr	Weekday Evening Caretaker

Social Committee – help organize social events

Richard Hayward	Denise Daniels
Leaander Gonsalves	Leanne Daniels
Merle Mohammed	

Regular volunteers at larger events

June West	Trecia Kerr
Shane Dye	James Stevens-Turner

At many SMCA events other volunteers contribute - too many in number to name here.

Contact us:

South Mitcham Community Association
Cobham Court, Haslemere Avenue,
Mitcham, Surrey CR4 3PR
Phone: 0202 648 3740 Fax: 0208 646 8709

Website: www.smca.co.uk

Facebook: **South-Mitcham-Community-Centre**

Twitter: [@southmitchamcomm](https://twitter.com/southmitchamcomm)

SOUTH MITCHAM COMMUNITY ASSOCIATION

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

**GREEN LEVINE & ASSOCIATES
132a Boundary Road
London
NW8 0RH**

SOUTH MITCHAM COMMUNITY ASSOCIATION

YEAR ENDED 31 MARCH 2021

Charity Number

1101681

Company Number

4668105

Trustees

Arthur S. Campbell, Chairman / Director

Merle Mohammed, Vice-Chairman / Director

Barbara E. Holgate, Secretary / Director

Frederick G. Day FCA, Treasurer Deceased June 2020

Rosie Fay, Director Appointed October 2020

Anne-Marie Zaritsky, Director appointed November 2020

Stephanie Phillips, Director appointed November 2020

Denise Daniels, Director

Patricia M. Harrison, Director

Community Centre

Cobham Court
Haslemere Avenue
Mitcham
Surrey
CR4 3PR

Independent Examiners

Green Levine & Associates
132a Boundary Road
London
NW8 0RH

Bankers

Lloyds TSB Bank plc
Thorpe Wood
Peterborough
Cambridgeshire
PE3 6SF

SOUTH MITCHAM COMMUNITY ASSOCIATION

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SOUTH MITCHAM COMMUNITY ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and the financial statements for the year ended 31 March 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 in preparing the annual report and the financial statements.

Objects of the Charity

To provide a Healthy Living Centre in the heart of the Phipps Bridge Estate offering a wealth of opportunities for leisure and learning, serving all families and individuals borough wide especially those in areas of social and economic deprivation.

To work with local partners to develop a wider range of activities to meet all identified needs to improve the quality of life and promote a sense of cohesiveness and ownership among local residents.

To attract and actively involve current and potential users and gain sufficient funding to sustain our programme and to empower all users to increase their level of skills and employability through their engagement both in fun and supportive community activities.

Development, Activities and Achievements this Year

The Community Centre has been closed in line with the Government's Covid-19 restrictions for the year ended 31st March 2021. Against this background, the Trustees consider that the performance of the Charity this year has been satisfactory.

Future Developments

The trustees negotiated a lease for 28 years via Merton Federation of Community Associations with the London Borough of Merton in 2012.

Transactions and Financial Position

The Statement of Financial Activities shows a net deficit for the year of £13,297 and reserves stand at £139,254 in total.

Reserves Policy

The Association should keep monies in reserve to cover the legal liabilities associated with employing staff.

The Association should keep monies in reserve to cover future/expansion plans as agreed by the Board of Trustees.

The Association should keep monies in reserve to cover unexpected events, i.e., a sudden drop in income through unavoidable circumstances.

Monies kept in reserve should be sufficient to cover all expenses of running the Centre for a period not exceeding six months.

The Board of Trustees of the Association will monitor reserve levels and endeavour to maintain them or increase them as necessary.

Unrestricted funds were maintained at the level required under the Reserves Policy or a higher level throughout the year.

SOUTH MITCHAM COMMUNITY ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Tangible Fixed Assets for Use by the Charity

Details of movements are set out in the financial statements.

The trustees have considered the most appropriate policy for investing funds and have found that COIF meets their requirements and consider the interest earned over the year to be satisfactory. The trustees have also invested £10,000 with Lloyds TSB in a Fixed Term Account which brings the benefit of zero bank charges.

Reserves

The present level of reserves is adequate to meet the terms of our Reserves Policy.

Risk

The trustees actively review the major risks that the charity faces on a regular basis and believe that the current level of reserves, combined with an annual review over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational risks faced by the charity and confirm that they have established systems to mitigate significant risks.

Trustees Responsibilities in Relation to the Financial Statements

The trustees are required under the Charities Act 1993 to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year (unless the charity is entitled to prepare accounts on the alternative receipts and payments basis). In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- a. Select suitable accounting policies and apply them consistently;
- b. Make reasonable and prudent judgements and estimates;
- c. State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- d. Prepare the financial statements on a going concern basis on the presumption that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the appropriate law. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiners

Independent Examiners, Green, Levine & Associates have expressed their willingness to continue in office and a resolution will be proposed at the forthcoming Annual General Meeting to reappoint them as Independent Examiners of the Association.

.....
Chairman – Arthur S. Campbell

.....
Date

SOUTH MITCHAM COMMUNITY ASSOCIATION

REPORT OF THE INDEPENDENT EXAMINERS TO THE BOARD OF TRUSTEES OF SOUTH MITCHAM COMMUNITY ASSOCIATION FOR THE YEAR ENDED 31 MARCH 2021

We have examined the financial statements on pages 4 to 7 which have been prepared under the historical cost convention.

Respective responsibilities of Board of Trustees and Independent Examiners

As described on page 2, the trustees are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, examining those statements and to report our opinion to you.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charity as at 31 March 2021 and of the financial results for the year then ended and have been properly prepared in accordance with the Charities Act 1993 and Companies Act 2006.

.....
Harry J Levine FCCA
Green Levine & Associates

.....
Date

SOUTH MITCHAM COMMUNITY ASSOCIATION

BALANCE SHEET AS AT 31 MARCH 2021

	Notes	2021	2020
Fixed Assets	2	<u>50,525</u>	<u>54,304</u>
Current Assets			
Sundry Debtors		3,924	3,223
Bank Balances		92,082	109,459
Cash in Hand		<u>175</u>	<u>175</u>
		96,181	112,857
Current Liabilities			
Trade Creditors Falling Due within one year	6	<u>2,807</u>	<u>8,560</u>
Net Current Assets		<u>93,374</u>	<u>104,07</u>
Total Net Assets		143,899	158,611
		<u>4,645</u>	<u>6,060</u>
Deferred Income	5	<u><u>139,254</u></u>	<u><u>152,551</u></u>

Represented By

Accumulated Fund

Regeneration Fund	10,329	10,329
Unrestricted Fund Brought Forward	142,222	134,505
Deficit for the Year (2020 Surplus)	<u>-13,297</u>	<u>7,717</u>
Fund Carried Forward	<u><u>139,254</u></u>	<u><u>152,551</u></u>

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

.....
Chairman – Arthur S. Campbell

.....
Date

SOUTH MITCHAM COMMUNITY ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds	Restricted Funds	2021	2020
Income					
Affiliation and Membership Fees		0		0	650
Grant from Deferred Income				0	662
Transfer Between Funds				0	0
Receipts				0	0
Grant LB Merton	1	41,210		41,210	40,600
Lettings including Storage		5,470		5,470	67,969
Social Income		0		0	1,803
Bank Interest		855		855	633
Donations		114		114	1,454
Other Income		5,063		5,063	6,049
Total Income		<u>52,712</u>	<u></u>	<u>52,712</u>	<u>119,820</u>
Expenditure					
Wages and Salaries	3	30,944		30,944	67,190
Rates and Water		1,249		1,249	946
Expenditure on Grant Activities	5				662
Unused Grant To Deferred Income					0
Insurance		1,066		1,066	1,160
Light and Heat		6,332		6,332	10,483
Postage and Stationery		158		158	372
Telephone and Internet		777		777	880
Centre Expenses	7	3,375		3,375	8,023
Accountancy	4	1,200		1,200	1,100
Maintenance		0		0	0
Office Expenses	8	11,127		11,127	11,975
General Expenses	9	2,592		2,592	1,652
Legal and Professional		2,245		2,245	2,093
Depreciation		4,944		4,944	5,567
Total Expenditure		<u>66,009</u>	<u>0</u>	<u>66,009</u>	<u>112,103</u>
Net Deficit on Activities for the Year				-13,297	7,717
Fund Balance Brought Forward				<u>142,222</u>	<u>118,206</u>
Fund Balance Carried Forward				<u>128,925</u>	<u>125,923</u>

SOUTH MITCHAM COMMUNITY ASSOCIATION

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

1.	LB Merton Grant				
	Funds received during the year				<u>41,210</u>
2.	Fixed Assets				
		Works to Building	Fixtures & Fittings	Sundry Equipment	Total
	Cost				
	Balance at 1 April 2020	40,744	65,236	29,612	135,592
	Additions	<u>0</u>	<u>1,165</u>	<u>0</u>	<u>1,165</u>
	Balance at 31 March 2021	<u>40,744</u>	<u>66,401</u>	<u>29,612</u>	<u>136,757</u>
	Depreciation				
	Balance at 1 April 2020	25,211	29,838	26,239	81,288
	Charge for the year	<u>1,259</u>	<u>3,310</u>	<u>375</u>	<u>4,944</u>
	Balance at 31 March 2021	<u>26,470</u>	<u>33,148</u>	<u>26,614</u>	<u>86,232</u>
	Net Book Value at 31 March 2020	<u>15,553</u>	<u>35,398</u>	<u>3,373</u>	<u>54,304</u>
	Net Book Value at 31 March 2021	<u>14,274</u>	<u>33,253</u>	<u>2,998</u>	<u>50,525</u>
3.	Salaries (Grant and Non Grant)				
					<u>30,944</u>
4.	Independent Examiner Charges				
	Provision for Fees to 31 March 2021				<u>1,200</u>

SOUTH MITCHAM COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

5. Grants Received and Expenditure of Grants

	Horizons	PQASSO	St Marks	Total
Brought Forward	4,560	1,500	0	6,060
Receipts	0	0	500	500
Transfer Unrestricted Funds	0	0	0	0
Expenditure	<u>1,915</u>	<u>0</u>	<u>0</u>	<u>1,915</u>
Carried Forward	<u>2,645</u>	<u>1,500</u>	<u>500</u>	<u>4,645</u>

6. Creditors and Accruals

	2021	2020
Sundry Creditors	2,807	6,060
Salaries	<u>0</u>	<u>2,500</u>
	<u>2,807</u>	<u>8,560</u>

7. Centre Expenses

	2021	2020
Cleaning and Hygiene	2791	5,164
Other	<u>584</u>	<u>2,859</u>
	<u>3,375</u>	<u>8,023</u>

8. Office Expenses

	2021	2020
Photocopier	9,845	11,800
Computer	1,282	166
Equipment	<u>0</u>	<u>9</u>
	<u>11,127</u>	<u>11,975</u>

9. General Expenses

	2021	2020
Licensing	2,420	1,562
Subscriptions	172	29
Sundry Costs	<u>0</u>	<u>61</u>
	<u>2,592</u>	<u>1,652</u>

10. Donations

The Association has received relief from Rent and Rates which may be considered to be the equivalent of donations received. The sums involved are:-

Rent	£25,760
Rates	£11,648

The financial statements do not reflect these sums.

In addition there are uncharged estimated costs relating to volunteers amounting to £40,000.

SOUTH MITCHAM COMMUNITY ASSOCIATION

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

**GREEN LEVINE & ASSOCIATES
132a Boundary Road
London
NW8 0RH**

**SOUTH MITCHAM COMMUNITY ASSOCIATION
YEAR ENDED 31 MARCH 2021**

Charity Number

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The Community Centre has been closed in line with the Government's Covid-19 restrictions for the year ended 31st March 2021. Against this background, the Trustees consider that the performance of the Charity this year has been satisfactory.

Future Developments

The trustees negotiated a lease for 28 years via Merton Federation of Community Associations with the London Borough of Merton in 2012.

Transactions and Financial Position

The Statement of Financial Activities shows a net deficit for the year of £13,297 and reserves stand at £139,254 in total.

Reserves Policy

The Association should keep monies in reserve to cover the legal liabilities associated with employing staff.

The Association should keep monies in reserve to cover future/expansion plans as agreed by the Board of Trustees.

The Association should keep monies in reserve to cover unexpected events, i.e., a sudden drop in income through unavoidable circumstances.

Monies kept in reserve should be sufficient to cover all expenses of running the Centre for a period not exceeding six months.

The Board of Trustees of the Association will monitor reserve levels and endeavour to maintain them or increase them as necessary.

Unrestricted funds were maintained at the level required under the Reserves Policy or a higher level throughout the year.

SOUTH MITCHAM COMMUNITY ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Tangible Fixed Assets for Use by the Charity

Details of movements are set out in the financial statements.

The trustees have considered the most appropriate policy for investing funds and have found that COIF meets their requirements and consider the interest earned over the year to be satisfactory. The trustees have also invested £10,000 with Lloyds TSB in a Fixed Term Account which brings the benefit of zero bank charges.

Reserves

The present level of reserves is adequate to meet the terms of our Reserves Policy.

Risk

The trustees actively review the major risks that the charity faces on a regular basis and believe that the current level of reserves, combined with an annual review over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational risks faced by the charity and confirm that they have established systems to mitigate significant risks.

Trustees Responsibilities in Relation to the Financial Statements

The trustees are required under the Charities Act 1993 to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year (unless the charity is entitled to prepare accounts on the alternative receipts and payments basis). In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- a. Select suitable accounting policies and apply them consistently;
- b. Make reasonable and prudent judgements and estimates;
- c. State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- d. Prepare the financial statements on a going concern basis on the presumption that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the appropriate law. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiners

Independent Examiners, Green, Levine & Associates have expressed their willingness to continue in office and a resolution will be proposed at the forthcoming Annual General Meeting to reappoint them as Independent Examiners of the Association.

.....
Chairman – Arthur S. Campbell

.....
Date

SOUTH MITCHAM COMMUNITY ASSOCIATION

REPORT OF THE INDEPENDENT EXAMINERS TO THE BOARD OF TRUSTEES OF SOUTH MITCHAM COMMUNITY ASSOCIATION FOR THE YEAR ENDED 31 MARCH 2021

We have examined the financial statements on pages 4 to 7 which have been prepared under the historical cost convention.

Respective responsibilities of Board of Trustees and Independent Examiners

As described on page 2, the trustees are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, examining those statements and to report our opinion to you.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charity as at 31 March 2021 and of the financial results for the year then ended and have been properly prepared in accordance with the Charities Act 1993 and Companies Act 2006.

.....
Harry J Levine FCCA
Green Levine & Associates

.....
Date

SOUTH MITCHAM COMMUNITY ASSOCIATION

BALANCE SHEET AS AT 31 MARCH 2021

	Notes	2021	2020
Fixed Assets	2	<u>50,525</u>	<u>54,304</u>
Current Assets			
Sundry Debtors		3,924	3,223
Bank Balances		92,082	109,459
Cash in Hand		<u>175</u>	<u>175</u>
		96,181	112,857
Current Liabilities			
Trade Creditors Falling Due within one year	6	<u>2,807</u>	<u>8,560</u>
Net Current Assets		<u>93,374</u>	<u>104,07</u>
Total Net Assets		143,899	158,611
		<u>4,645</u>	<u>6,060</u>
Deferred Income	5	<u><u>139,254</u></u>	<u><u>152,551</u></u>

Represented By

Accumulated Fund

Regeneration Fund	10,329	10,329
Unrestricted Fund Brought Forward	142,222	134,505
Deficit for the Year (2020 Surplus)	<u>-13,297</u>	<u>7,717</u>
Fund Carried Forward	<u><u>139,254</u></u>	<u><u>152,551</u></u>

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

.....
Chairman – Arthur S. Campbell

.....
Date

SOUTH MITCHAM COMMUNITY ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds	Restricted Funds	2021	2020
Income					
Affiliation and Membership Fees		0		0	650
Grant from Deferred Income				0	662
Transfer Between Funds				0	0
Receipts				0	0
Grant LB Merton	1	41,210		41,210	40,600
Lettings including Storage		5,470		5,470	67,969
Social Income		0		0	1,803
Bank Interest		855		855	633
Donations		114		114	1,454
Other Income		5,063		5,063	6,049
Total Income		<u>52,712</u>	<u></u>	<u>52,712</u>	<u>119,820</u>
Expenditure					
Wages and Salaries	3	30,944		30,944	67,190
Rates and Water		1,249		1,249	946
Expenditure on Grant Activities	5				662
Unused Grant To Deferred Income					0
Insurance		1,066		1,066	1,160
Light and Heat		6,332		6,332	10,483
Postage and Stationery		158		158	372
Telephone and Internet		777		777	880
Centre Expenses	7	3,375		3,375	8,023
Accountancy	4	1,200		1,200	1,100
Maintenance		0		0	0
Office Expenses	8	11,127		11,127	11,975
General Expenses	9	2,592		2,592	1,652
Legal and Professional		2,245		2,245	2,093
Depreciation		4,944		4,944	5,567
Total Expenditure		<u>66,009</u>	<u>0</u>	<u>66,009</u>	<u>112,103</u>
Net Deficit on Activities for the Year				-13,297	7,717
Fund Balance Brought Forward				<u>142,222</u>	<u>118,206</u>
Fund Balance Carried Forward				<u>128,925</u>	<u>125,923</u>

SOUTH MITCHAM COMMUNITY ASSOCIATION

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

1.	LB Merton Grant				
	Funds received during the year				<u>41,210</u>
2.	Fixed Assets				
		Works to Building	Fixtures & Fittings	Sundry Equipment	Total
	Cost				
	Balance at 1 April 2020	40,744	65,236	29,612	135,592
	Additions	<u>0</u>	<u>1,165</u>	<u>0</u>	<u>1,165</u>
	Balance at 31 March 2021	<u>40,744</u>	<u>66,401</u>	<u>29,612</u>	<u>136,757</u>
	Depreciation				
	Balance at 1 April 2020	25,211	29,838	26,239	81,288
	Charge for the year	<u>1,259</u>	<u>3,310</u>	<u>375</u>	<u>4,944</u>
	Balance at 31 March 2021	<u>26,470</u>	<u>33,148</u>	<u>26,614</u>	<u>86,232</u>
	Net Book Value at 31 March 2020	<u>15,553</u>	<u>35,398</u>	<u>3,373</u>	<u>54,304</u>
	Net Book Value at 31 March 2021	<u>14,274</u>	<u>33,253</u>	<u>2,998</u>	<u>50,525</u>
3.	Salaries (Grant and Non Grant)				
					<u>30,944</u>
4.	Independent Examiner Charges				
	Provision for Fees to 31 March 2021				<u>1,200</u>

SOUTH MITCHAM COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

5. Grants Received and Expenditure of Grants

	Horizons	PQASSO	St Marks	Total
Brought Forward	4,560	1,500	0	6,060
Receipts	0	0	500	500
Transfer Unrestricted Funds	0	0	0	0
Expenditure	<u>1,915</u>	<u>0</u>	<u>0</u>	<u>1,915</u>
Carried Forward	<u>2,645</u>	<u>1,500</u>	<u>500</u>	<u>4,645</u>

6. Creditors and Accruals

	2021	2020
Sundry Creditors	2,807	6,060
Salaries	<u>0</u>	<u>2,500</u>
	<u>2,807</u>	<u>8,560</u>

7. Centre Expenses

	2021	2020
Cleaning and Hygiene	2791	5,164
Other	<u>584</u>	<u>2,859</u>
	<u>3,375</u>	<u>8,023</u>

8. Office Expenses

	2021	2020
Photocopier	9,845	11,800
Computer	1,282	166
Equipment	<u>0</u>	<u>9</u>
	<u>11,127</u>	<u>11,975</u>

9. General Expenses

	2021	2020
Licensing	2,420	1,562
Subscriptions	172	29
Sundry Costs	<u>0</u>	<u>61</u>
	<u>2,592</u>	<u>1,652</u>

10. Donations

The Association has received relief from Rent and Rates which may be considered to be the equivalent of donations received. The sums involved are:-

Rent	£25,760
Rates	£11,648

The financial statements do not reflect these sums.

In addition there are uncharged estimated costs relating to volunteers amounting to £40,000.