

SOUTH MITCHAM COMMUNITY ASSOCIATION

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Community Action Sutton
Granfers Community Centre
73-79 Oakhill Road
Sutton
SM1 3AA

**SOUTH MITCHAM COMMUNITY ASSOCIATION
YEAR ENDED 31 MARCH 2023**

Charity Number

1101681

Company Number

4668105

Trustees

Barbara E. Holgate, Company Secretary, Treasurer, Director
Stephanie Phillips, Director
Patricia M. Harrison, Director, and Acting Chair
Qasim Chishti, Director
Marc Clifford, Director Appointed 20 February 2023
Jatin Mehta, Director, Resigned 8 May 2022
Anne-Marie Zaritsky, Director, Resigned 9 May 2022

Community Centre

Cobham Court
Haslemere Avenue
Mitcham
Surrey
CR4 3PR

Independent Examiners

Dunstanette Kuti FCCA MCSI
Community Action Sutton
Granfers Community Centre
73-79 Oakhill Road
Sutton, Surrey, SMI 3AA

Bankers

Lloyds Bank
St Georges Road
Wimbledon
London
SW19 4DR

SOUTH MITCHAM COMMUNITY ASSOCIATION

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SOUTH MITCHAM COMMUNITY ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their report and the financial statements for the year ended 31 March 2023. 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.

The objects for which the Company is formed are:

To promote for the benefits of the inhabitants of South Mitcham and the local area within the London Borough of Merton without distinction of sex, sexual orientation, disability, race or of political, religious or other opinions by associating with the local authority, voluntary organisations and inhabitants in a common effort to provide facilities in the interests of social welfare for recreation and leisure time occupation with the object of improving the conditions of life of such inhabitants.

To manage premises at Cobham Court for activities promoted by the Company and its constituent bodies.

Development, Activities and Achievements this Year

The legacy of the pandemic, the significant increase in the cost of living and the impact of financial restraint on services across the country mean that it has been another challenging year for SMCA. The Board of Directors has monitored the situation closely enabling SMCA to respond quickly to changing circumstances. We have continued to deliver a varied and welcome programme of activities for community centre users throughout the year. Footfall is still down on pre-pandemic levels but has built up over the year. We welcomed back a number of groups and re-introduced some popular activities as community centre users have grown in confidence.

At the end of November 2022, we conducted a wide consultation exercise within the community inviting people to contribute their ideas for what they would like to see as part of the offering at the community centre. The feedback from this exercise and from other events is being factored into our planning for future years.

We have taken steps to increase our access to new income streams. In September 2022, as part of our long-term strategy, SMCA appointed a Grants and Operations Manager to spearhead a more strategic and focused approach to securing funding opportunities and managing our operations. We have also developed a fundraising strategy aligning income opportunities with delivery ideas and priorities. In this way we have been able to develop our reach in terms of new projects and activities. We have been successful in securing vital funds to support new initiatives, including funding to support a programme of improvements to the premises.

The income stream from hire charges has been an important facet of SMCA's operating model in recent years. Following a root and branch review of the level of hire charges to be paid by groups and individuals hiring SMCA's accommodation, and in line with the policy agreed by the Board, new rates were introduced from 1 June 2022. The review has resulted in a more structured and consistent approach to charging.

During the year SMCA has continued to build on the organisational and cultural change begun in 2020. We have continued to review, refresh and develop in-house policies. The board believes that a process of on-going review, taking account of changing circumstances and demands will help to support a more sustainable future for SMCA in its delivery of high levels of customer service.

The Trustees consider that the performance of the Charity this year has been satisfactory in challenging circumstances.

Future Developments

We must be realistic about the financial climate and the challenges we will continue to face. Individuals' and organisational budgets continue to be stretched. Against a background of reduced local authority and statutory funding we will continue to work to identify and access other income streams to support our activities. We will continue to improve our infrastructure to streamline our work making it more efficient and effective. In this way we aim to achieve a better balance between activities and services provided directly by SMCA and to reduce our reliance on income from room hire.

During the year we worked towards converting from being a Company Limited by Guarantee to that of a Charitable Incorporated Organisation (CIO) with a new constitution based on the Charity Commission's model. The CIO is a legal form for a charity created in response to requests from charities for a practical and effective incorporated vehicle which provides some of the benefits of being a company but without some of the burdens. It provides registered charities with a more attractive legal framework that is regulated purely by the Charity Commission. As such it is much more suited to SMCA's needs as a small charity with limited resources.

Transactions and Financial Position

The Statement of Financial Activities shows a net deficit for the year of £39,002 and reserves stand at £122,063 in total.

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

Reserves Policy

SMCA requires a level of free reserves to safeguard the Company, protect options for future development and to achieve the following.

- a. The option to develop new services or expand current services in line with the changing needs of the community or to meet a commitment which cannot be covered by the annual income. (Commitment)
- b. To ensure that delays in the receipt of expected income do not interrupt services or cause serious financial difficulty for the Company. (Cash flow)
- c. The ability to survive unexpected setbacks and problems arising from internal or external causes. (Contingency)
- d. To ensure that the costs of dissolution should the charity be unable to continue can be covered. It is only to be used in the event of the Trustees' deciding the charity should cease to exist. It will be used to pay notice periods, redundancies, and the expenses of running SMCA until closure of the organisation. (Closure)

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 2023 (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 in line with expectations given the economic climate. 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 of 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 2011 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

The board appointed Community Action Sutton of Granfers Community Centre, 73-79 Oakhill Road, Sutton, Surrey, SMI 3AA as Independent Examiners.



Acting Chair — Patricia Harrison

Date: 29/9/23

Independent Examiner's Report on the Accounts for the Year ended 31 March 2023

I report on the accounts for **South Mitcham Community Association** for the year ended 31st March 2023.

Respective responsibilities of trustees and examiner

The trustees, who are also directors of the company for the purposes of company law, are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 and that an Independent Examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for Independent Examination, it is my responsibility to:

- ☐ examine the accounts under section 145 of the 2011 Charities Act;
- ☐ to follow the procedures laid down in the general directions given by the Charities Commission under section 145(5)(b) of the Charities Act; and
- ☐ to state whether particular matters have come to my attention.

Basis of independent review

My examination was carried out in accordance with general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair" view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe, that in any material respect, the requirements have not been met:
 - ☐ to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - ☐ to prepare accounts which accord with the accounting records, and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the statement of Recommended Practice; Accounting and Reporting by Charities; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Name: Dunstanette Kuti FCCA MCSI
Community Action Sutton
Granfers Community Centre
73-79 Oakhill Road
Sutton, Surrey, SM1 3AA

Date: 21/01/2023

SOUTH MITCHAM COMMUNITY ASSOCIATION

BALANCE SHEET AS AT 31 MARCH 2023

	Notes	2023 £	2022 £
Fixed Assets	10	20,000	48,671
Current Assets			
Sundry Debtors	11	7,733	8,889
Bank Balances		96,515	105,037
Cash in Hand		175	175
		<u>104,423</u>	<u>114,101</u>
Current Liabilities			
Trade Creditors Falling Due within one year	12	4,223	1,857
		<u>4,223</u>	<u>1,857</u>
Net Current Assets		<u>100,200</u>	<u>112,244</u>
Total Net Assets		<u>120,200</u>	<u>160,915</u>
Deferred Income	13	1,863	150
Total Assets		<u>122,063</u>	<u>161,065</u>
Represented By			
Accumulated Fund			
Unrestricted Fund Brought Forward		161,065	139,254
Surplus (Deficit) for the year		(39,002)	21,811
Total Fund Carried Forward		<u>122,063</u>	<u>161,065</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.


Acting Chair — Patricia Harrison

Date:
29/9/23

SOUTH MITCHAM COMMUNITY ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted Funds	Restricted Funds	2023	2022
	Notes	£	£	£	£
Income					
Grants received	1	80,245	-	80,245	41,830
Donations		927	-	927	173
Charitable activities	2	71,601	-	71,601	42,198
Bank Interest		1,349	-	1,349	79
Other Income		63	-	63	10,369
Total Income		154,185	-	154,185	94,649
Expenditure					
Wages and Salaries	3	82,010	-	82,010	29,932
Expenditure on Grant Activities	4	13,529	-	13,529	2,755
Legal and Professional		4,272	-	4,272	2,733
Independent Examiner Charges	5	1,200	-	1,200	1,200
Accountancy		1,365	-	1,365	-
Rates and Water		1,321	-	1,321	713
Light and Heat	6	22,071	-	22,071	9,934
Postage and Stationery		1,215	-	1,215	217
Telephone and Internet		1,410	-	1,410	867
Office Expenses	7	17,779	-	17,779	12,251
General Expenses	8	3,964	-	3,964	1,036
Centre Expenses	9	9,225	-	9,225	5,318
Insurance		2,242	-	2,242	1,176
Fixed Assets written off	10	28,955	-	28,955	-
Depreciation		-	-	-	4,706
Bad debt written off		2,629	-	2,629	-
Total Expenditure		193,188	-	193,188	72,838
Net Surplus/(Deficit)		(39,002)	-	(39,002)	21,811
Fund Balance Brought Forward		161,065	-	161,065	139,254
Fund Balance Carried Forward		122,063	-	122,063	161,065

SOUTH MITCHAM COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Grants received

	<u>2023</u>	<u>2022</u>
	£	£
LB Merton Grant	42,880	41,830
Awards for All	9,193	-
B&Q	4,500	-
Everyone Health	3,420	-
Clarion Futures	4,500	-
Clarion Youth	1,400	-
MVSC Community Champions	2,500	-
Merton Giving Building Resilience Fund	9,840	-
NHS Winter Engagement Fund	200	-
WDMBS Grant	1,812	-
	<u>80,245</u>	<u>41,830</u>

2 Charitable activities

	<u>2023</u>	<u>2022</u>
	£	£
SMCA Programmes	1,827	-
Letting and Storages	65,009	41,376
Photocopier Income	372	-
Young at Heart Income	373	-
Get Up & Go Income	731	-
Social Income	1,084	822
Coach Trip 2022	269	-
Seedlings Income	1,433	-
Services	481	-
Others	21	-
	<u>71,601</u>	<u>42,198</u>

3 Salaries (Grant and Non Grant)

	<u>2023</u>	<u>2022</u>
	£	£
Salaries and expenses	77,785	26,874
NI contributions	1,504	1,539
Pensions	2,721	1,518
	<u>82,010</u>	<u>29,932</u>

SOUTH MITCHAM COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Continued)

4 Expenditure on Grant Activities	<u>2023</u>	<u>2022</u>
	£	£
Saturday School	-	340
Seedlings	2,824	1,275
Half Term Activities	199	1,140
WDMBS Expenses	1,657	-
Social Expenses	8,685	-
YAH Expenditure	164	-
	<u>13,529</u>	<u>2,755</u>

5 Independent Examiner Charges	<u>2023</u>	<u>2022</u>
	£	£
Provision for the year	<u>1,200</u>	<u>1,200</u>

6 Light and Heat	<u>2023</u>	<u>2022</u>
	£	£
Gas	12,243	7,117
Electricity	<u>9,828</u>	<u>2,817</u>
	<u>22,071</u>	<u>9,934</u>

7 Office Expenses	<u>2023</u>	<u>2022</u>
	£	£
Photocopier	10,176	9,934
Computer	2,328	2,258
Equipment	<u>5,275</u>	<u>59</u>
	<u>17,779</u>	<u>12,251</u>

SOUTH MITCHAM COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Continued)

8 General Expenses

	<u>2023</u>	<u>2022</u>
	£	£
Licensing	1,878	408
Subscriptions	432	384
Recruitment	645	-
Training staff/volunteers	708	-
Travel	261	-
Sundry Costs	40	244
	<u>3,964</u>	<u>1,036</u>

9 Centre Expenses

	<u>2023</u>	<u>2022</u>
	£	£
Cleaning and Hygiene	6,741	4,483
Other	2,484	835
	<u>9,225</u>	<u>5,318</u>

10 Fixed Assets

	Works to Building	Fixtures & Fittings	Sundry Equipment	Total
Cost				
Balance at 1 April 2022	40,744	69,253	29,612	139,609
Additions	-	284	-	284
Additions- YE valuation	19,000	1,000	-	20,000
Disposals	(40,744)	(69,537)	(29,612)	(139,893)
Balance at 31 March 2023	<u>19,000</u>	<u>1,000</u>	<u>-</u>	<u>20,000</u>
Depreciation				
Balance at 1 April 2022	27,541	36,483	26,914	90,938
Charge for the year	-	-	-	-
Depreciation on disposed assets	(27,541)	(36,483)	(26,914)	(90,938)
Balance at 31 March 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value at 31 March 2022	13,203	32,770	2,698	48,671
Net Book Value at 31 March 2023	19,000	1,000	-	20,000
Fixed Assets written off				
WDV b/f				48,671
Additions -current year				284
Additions -YE valuation				(20,000)
				<u>28,955</u>

SOUTH MITCHAM COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (Continued)

11 Sundry Debtors	<u>2023</u>	<u>2022</u>
	£	£
Accounts Receivable	6,836	6,045
Prepayments	597	707
Imprest social	300	300
Undeposited Funds	-	1,837
	<u>7,733</u>	<u>8,889</u>
 12 Creditors and Accruals	 <u>2023</u>	 <u>2022</u>
	£	£
Sundry Creditors	556	-
Accruals	1,200	1,927
HMRC	1,875	-
Pensions Control	592	(70)
	<u>4,223</u>	<u>1,857</u>
 13 Deferred Income	 <u>2023</u>	 <u>2022</u>
	£	£
Deferred Income		
Horizons	357	1,841
PQASSO	-	(1,500)
St Marks	500	(500)
Mert Connected	-	119
Mert Giving	-	190
Funds Accounts:		
Wimbledon Guild	581	-
Warm & Well	406	-
Garden	19	-
Total	<u>1,863</u>	<u>150</u>

SOUTH MITCHAM COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023 (Continued)

14 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: -

	<u>2023</u>	<u>2022</u>
	£	£
Rent	25,760	25,760
Rates	11,648	11,648

The financial statements do not reflect these sums.

In addition, there are uncharged estimated costs relating to volunteers amounting to £50,000 (2022 £40,660).

15 Movement of Funds

	Funds B/F 31/3/2022	Receipts	Payments	Transfer	Funds C/F 31/3/2023
	£	£	£	£	£
Awards for All		9,193	(4,148)	-	5,045
B&Q		4,500	(5,367)	867	-
Caribbean Night		382	(1,108)	726	-
Christmas Social		41	(713)	672	-
Clarion		2,000	-	-	2,000
Clarion Futures 2023		2,500	-	-	2,500
Clarion Youth		1,400	(199)	-	1,201
Coach Trips		2,172	(3,100)	928	-
Everyone Health		3,436	(2,858)	-	578
Halloween		514	(793)	279	-
Home from Home		10,045	-	-	10,045
LBM		42,880	(18,074)	-	24,806
MVSC Community Champions		2,500	-	-	2,500
Phipps Fun		-	(1,527)	1,527	-
Quiz Nights		397	(556)	159	-
SMCA		69,026	(120,697)	51,671	-
Tea Party		307	(808)	501	-
WDNMBS		1,812	(1,657)	-	155
Unrestricted Funds	161,065	1,082	(31,584)	(57,330)	73,233
	<u>161,065</u>	<u>154,185</u>	<u>(193,188)</u>	<u>-</u>	<u>122,063</u>