

# *London Accountancy Practice*

## *ANNUAL REPORT AND ACCOUNTS*

*2021/2022*



*"35 Years Serving the Community and Voluntary  
Sector"*

Charity Registration No. 1114755  
Company Registration No. 4018585

## **LONDON ACCOUNTANCY PRACTICE ANNUAL REVIEW 2021-2022**

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## **LONDON ACCOUNTANCY PRACTICE Annual Review 2021-2022**

### **Directors/Trustees**

Abraham Tecle  
William Anang  
Dr. Henry Akinyeye  
Alfred Syl- Turay

Chairperson  
Treasurer  
Member  
Member

### **Staff Members**

Ade Adebambo

Director/ Company Secretary

Sandra Koleosho  
Paul Banda

Finance/ Payroll Manager  
Administrator

### **Volunteers**

Samuel Ikotun  
Giovina Lenny Vidal Sejas  
Evbo Joyce Faluyi  
Louise Havercroft  
Hinsenne Ararsso

### **Student Placement**

Syed Sina Mousavi

LAP would like to welcome its latest recruit of volunteers for **2021-2022**, Ms Hinsenne Ararsso and thank everyone for their hard work and contributions over the years.

LAP is grateful for the unstinting efforts and support of its volunteers. Our hearty congratulations to those of you that had to move on because you were able to secure employment due to the practical experience and support you have received from LAP.

Our sincere apologies to those we have not been able to provide opportunities for due to the COVID 19 restrictions.

It is estimated that over two thousand volunteer hours were provided by our volunteers during the year and if this is conservatively valued at £15.00 an hour, the volunteer efforts amounted to over £30,000.00.

**LAP also thanks the following groups and individuals for their continued support in 2021-2022:**

A special thank you goes out to all our members and service users for their custom and support.



## CHAIRPERSON'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

The result of the pandemic and the restrictions introduced by the government during the lockdown has meant that we had to have a new way we could be able to support our clients and provide them with necessary information, advice and the crucial support during the time.

The London Borough of Southwark is one of the deprived boroughs in inner London with almost half of its population from the Black and Asian Minority Ethnic groups including groups from the Latin America. It is therefore not a co-incidence that majority of these groups need help with their financial management and governance to be able to meet required legislations and increasing funders' demand.

However, the sector as a whole continues to face funding challenges among others, including new statutory changes. All this means that LAP has to be up to date with legal changes including the Charity Commission (2022 Charities Act), the Companies House and Her Majesty Revenue and Tax (HMRC). As you all know funding has been very difficult to secure and more quality advice continue to be needed

As an organization, in order to cope with the current funding climate and continue to service our clients, we have re-structured our activities, drastically cut our overheads where possible. We continue to work with other organizations to provide some kind of advice and support remotely where a face to face meeting is less than ideal.

Our one to one activities increased during the year as many organizations demand advice and support with their finances, planning and budgeting to determine how long they might be able to survive or pay their staff redundancy.

Due to the current economic/ funding climate, we have seriously looked at the options of charging our clients for everything that we do but at the same time come to the realization that the small organizations are going to suffer since many of them will not be in a position to pay market price for the services we provide. Our desire to continue to support the small and medium size organizations that desperately need our support and services to help them deliver their core services is depleting our own reserves and that we will have to look into in the coming year.

In light of the above, it is therefore no coincidence that 98% of groups that seek help, assistance, and support are from this lower end of the table as they are the ones that could not afford what medium and larger organisations take for granted.

However, in response to the current economic and funding climate, we try to generate an income stream that will at least help us to help some disadvantaged client groups.

In closing, may I say a very big thank you to Ade our CEO, all our staff, volunteers, members and user groups that have been fantastic during the year.

Moreover, in our formal and informal conversation and feedback from our client groups, we are made to understand that many of them may not be able to survive or even meet normal basic statutory and funding requirements which many large organisations take for granted.

Abraham Tecle





**LONDON ACCOUNTANCY PRACTICE  
DIRECTORS' AND TRUSTEES' REPORT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022.**

The trustees, who also act as directors of LONDON ACCOUNTANCY PRACTICE for the purpose of Company Law, are pleased to present their report and the independently examined financial statements for the year ended 31<sup>st</sup> March 2022.

**OBJECTS, ORGANISATION AND ACTIVITIES**

LAP's objects continue to be:

- The promotion of efficiency and effectiveness of charities and voluntary and community organisations by the provision of a comprehensive financial advisory service and the training of their employees in relevant financial skills.
- Helping individual organisation (whether incorporated or unincorporated) that for whatever reasons have some form of financial difficulty or crisis.
- Advising and helping such individual organisations to set up appropriate books of accounts and keep them up to date.
- Promotion of methods of bookkeeping.
- Advising on information flows between the relevant members and management committee of individual organisation and giving advice on structures to ensure accountability.
- Giving advice on budgets, funding, local authority, central government and other grants, salaries and national insurance, local government pay scales and cash flow.
- Enabling individual organisations to have a clearer understanding of local authority finance in so far as this affects the organisation's decision making;
- Provision of training (group and in-house) to achieve efficiency and effectiveness.

**DEVELOPMENTS, ACTIVITIES AND ACHIEVEMENTS**

Southwark is a very diverse borough with over 1125 registered charities and community groups and 707 of these have income of less than £100k most of whom are doing valuable work and providing essential services to our local communities. It is vitally important that we support and sustain the work of these groups which is why LAP plays such a significant infrastructure role in Southwark.

In our everyday work with other infrastructure organisations within and outside the borough we see evidence of a very wide range of organisational management needs, including many needs around developing sound financial systems about financial accountability, auditing and preparing annual accounts. As this is a specialist area requiring expert, accurate advice, LAP has been a key resource for local voluntary groups as well as being a very useful referral point for other infrastructure agencies. By offering local voluntary and community organisations expert advice and support on a range of financial issues, LAP is able to provide a highly specialised, much needed service.

LAPs work stretches much further than simply helping groups to develop sound financial controls, or providing a payroll service, although these are in themselves very useful. The longer term outcomes of our work however, have much more sustainable benefits: organisations, who are encouraged to implement good financial practices today are far more likely to be successful and capable in their future initiatives eg in fundraising, in running efficient projects, in managing funds appropriately, in being accountable and open, in providing good value for money, and in meeting the requirements of funders, the Charity Commission, Companies House, HMRC and other statutory bodies. The impact of all the above allows the organisations we work with to make successful applications to potential funders and as a result being able to lever in more money into the borough.



**LONDON ACCOUNTANCY PRACTICE  
DIRECTORS' AND TRUSTEES' REPORT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

LAP continues to provide particular support to smaller and medium-sized voluntary and community organisations and those representing disadvantaged sections of the community including the BAMERs (Black, Asian and Minority Ethnic Refugee groups) to increase their capacity and help comply with the requirements of funders, Companies House, Charity Commission and both local and central governments.

The current economic and funding climate continue to made it difficult if not impossible for many organisations to survive and the continuing complexity in charity financial reporting has resulted in heavy reliance on our services and this no doubt also put pressure on the other organisation as we both continue to find ways of saving money and at the same time endeavour to provide good, quality services.

Our areas of activities remain as follows:

**INDEPENDENT EXAMINATION**

LAP continues to provide affordable alternatives to commercial services. We carried out 55 (61) independent examinations during the year. This service has helped to develop and sustain most of the organisations we work with as they have been able to comply with both Charity law and the 2006 Companies Act. We have therefore saved organisations hundreds of pounds in penalties and surcharges.

**IMPACT**

As a result of this service, we have been able to increase the ability of small and medium-sized voluntary and community sector organisations to meet the reporting requirements of funders and other Stake holders.

As a result of this service, disadvantage groups that would not have been able to access/ pay for the services that main stream/ private sector accountancy firms were able to access our financial management support and are being assisted and supported to meet their statutory obligations. In addition, our clients have been able to lever in more funding to their organisations and the borough including new funding sources, effectively making them more sustainable and allowing them to be able to concentrate more on their core activities.

**PAYROLL ADMINISTRATION**

Over 210 employees from over 52 organisations benefited from our efficient and cost-effective payroll administration and advice during the year. The Welfare Reforms have meant more enquiries from employers and employees like seeking advice.

**IMPACT**

By providing a high quality and reliable payroll service along with advice and support for over 50 payroll client groups, we have released them to concentrate on their core activities. We deal with all aspects of payroll queries from both the organisations and the HMRC and liaise between them to help sort-out any outstanding issues. By making the organisations aware of their responsibilities as employers, keeping them up to date with changing legislation and making them aware of their legal responsibilities, deadlines, etc, we have saved them thousands of money in penalties and surcharges.

**APPEALS WITH HMRC**

Where organisations have been issued a penalty notice for late payments or late filing for reasons beyond our control we have stepped in on behalf of the organisation and helped with appeal letters. To date 99% of all appeals have been successful. Our client groups have been able to save a considerable amount of money through this process.



## **LONDON ACCOUNTANCY PRACTICE DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

### **VOLUNTEERING, TRAINING AND WORK PLACEMENT**

LAP carried out a series of in-house training sessions during the year covering topics from Introduction to Bookkeeping, Advanced Bookkeeping and the preparation of end of year accounts. These graduate trainees / volunteers were then sent to work with other groups and organisations enabling them to gain experience in the work place at no costs to them...

#### **IMPACT**

The effectiveness of these training sessions could be seen in the quality of work produced by the trainees while they are with us. Our cost-effective training meant that organisations we work with continue to have better understanding of their financial position. This also led to an increase in the capacity of small and medium sized voluntary and community sector organisations to manage their financial resources more effectively and efficiently. Our adaptable financial control procedures have helped many organisations to be able to write up their own in-house financial policy and procedures. This service has improved the social, financial and economic well being of these volunteers as they continue secure paid employment. 4 got paid jobs during the year.

### **ONE 2 ONE ADVICE**

Our free one to one advice and consultancy services continue to be popular with both old and emerging groups especially due to various changes and legislations relating to organisations being set up as social enterprises, Community Interest Organisations. 70% of registered Charities we work with in Southwark are also incorporated and we provided them with relevant advice.

#### **IMPACT**

This service has tremendously benefited a lot of our client groups during the year. We were able to provide much needed assistance and support for organisations putting in funding applications and to advise on company and charity registration. This service has helped many organisations to avoid an initial pitfall.

### **COLLABORATIVE WORK**

LAP continues to work with other second tier organisations within the London Borough of Southwark and across other London boroughs including Community Southwark (SC), Royal Borough of Kensington and Chelsea Community Accountancy Services, Hackney Community Voluntary Service and we continue to foster relationship with other second tier organisations.

### **OTHER**

Some groups faced particular challenges with the HMRC because they are not registered charity. Even though they carry out charitable activities, they needed help them with their corporation tax and other matters to do with the HMRC.

### **RESERVE POLICY**

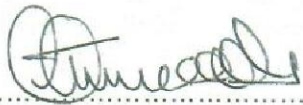
The Charity Commission requires charities to determine and explain their policy for free reserves. The trustees have reviewed its free reserves policy and have turned its entire unrestricted fund into an emergency reserve, and have set a target of £48,820.00 this year to enable LAP to meet its obligations for a period of 9 months in the event of a shortfall in income or sudden upturn in expenditure.

### **RISK MANAGEMENT**

The trustees have examined the major risk that LAP faces and believe that by maintaining our free reserves at a reasonable level, combined with our annual review of the controls over key financial systems, this will provide sufficient resources in the event of adverse conditions. The trustees have also examined other

operational and business risks that we face and confirm that they have established systems to mitigate the significant risks.

Signed on behalf of the trustees

Director.......... William Anang (Treasurer)

Dated. 31 - 12 - .....2022



**INDEPENDENT EXAMINER'S REPORT  
TO THE DIRECTORS' OF LONDON ACCOUNTANCY PRACTICE  
A COMPANY LIMITED BY GUARANTEE  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

The Financial Statements have been prepared under the historic cost convention in accordance with applicable Accounting Standards and Reporting.

**RESPONSIBILITIES OF THE DIRECTORS AND REPORTING ACCOUNTANT**

As described on the following pages, the company's directors are responsible for the preparation of the Financial Statements, and they would consider that the Company is exempt from an audit. It is my responsibility to carry out procedures designed to enable me to report my opinion.

**BASIS OF OPINION:**

My work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so my procedures consisted of comparing the Financial Statements with the accounting records kept by the Company, and making such limited enquiries of the officers of the Company as I considered necessary for the purposes of this report. These procedures provide only the assurance expressed in my opinion.

In my opinion:

- A) The financial statements are in agreement with those accounting records kept by the company under section 477 of the Companies Act 2006;
- B) Having regard only to, and on the basis of the information contained in those accounting records:
  - The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
  - The directors' acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts
  - These accounts have been prepared in accordance with the provision applicable to companies subject to the small companies' regime.

Name: *JOHN JOSEPH DOLAN FCA FMAAT*

Signature:



Date...*03/01/2023*.....

Address:

10 Gerard Court  
Hitherfield Lane  
Hapenden  
St Albans  
Herts.AL5 4JA

**LONDON ACCOUNTANCY PRACTICE  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST MARCH 2022**

		2022	2022	2022	2021
<b>INCOMING RESOURCES</b>		<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>Notes</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Incoming Resources From Generated Funds</b>					
Grants, donations and legacies	<b>2</b>	0	0	0	15928
Activities For Generating Funds	<b>3</b>	58221		58221	53377
Investment Income		1	0	1	1
<b>Total Incoming Resources</b>		<b>58222</b>	<b>0</b>	<b>58222</b>	<b>69306</b>
<b>RESOURCES EXPENDED</b>					
<b>Charitable Activities</b>		65073	0	65073	63108
<b>Total Resources Expended</b>		<b>65073</b>	<b>0</b>	<b>65073</b>	<b>63108</b>
<b>NET INCOMING RESOURCES</b>		<b>-6851</b>	<b>0</b>	<b>-6851</b>	<b>6198</b>
<b>Fund Balances Brought Forward at 1st April 2021</b>		<b>38260</b>	<b>0</b>	<b>38260</b>	<b>32062</b>
<b>Fund Balances Carried Forward at 1st April 2022</b>		<b>31409</b>	<b>0</b>	<b>31409</b>	<b>38260</b>



**LONDON ACCOUNTANCY PRACTICE  
BALANCE SHEET  
AS AT 31ST MARCH 2022**

	Notes	£	2022 £	£	2021
<b>CURRENT ASSETS</b>					
Debtors and prepayments	4	24887		21400	
Cash at Bank and in Hand		6772		17110	
		<u>31659</u>		<u>38510</u>	
<b>CURRENT LIABILITIES</b>					
<b>Creditors And Accruals</b>					
Amount falling due within one year	5	250		250	
<b>Net Current Assets</b>			<u><b>31409</b></u>		<u><b>38260</b></u>
<b>RESERVES</b>					
Restricted Funds			0		0
Unrestricted Funds			6409		13260
Designated Funds	6		25000		25000
			<u><b>31409</b></u>		<u><b>38260</b></u>

For the period ended 31 March 2022 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.


Directors' responsibilities:

the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,

- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts
- these accounts have been prepared in accordance with the provision applicable to companies subject to the small companies' regime.

The financial statements on pages 8 to 10 were approved by the board of directors on

31-12-2022 and signed on its behalf by

Sign  Treasurer  
William Anang

**LONDON ACCOUNTANCY PRACTICE  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021.**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of Financial Statements**

The financial statements are prepared under the historic cost convention and include the results of the charity's operations which are described in the Trustees' Report and all of which are continuing. The accounts have been prepared in accordance with the Statements of Recommended Practice - Accounting and Reporting by Charities.

The charity has taken advantage of the exemption of Financial Reporting Standard No 1 from the requirements to produce a cash flow statement on the grounds that it qualifies as a small charity

**1.2 Incoming Resources**

1.2.1 Revenue grants are credited on the earlier date of when they are received or when they are receivable, unless they relate to a specific future period, in which case they are included on the Balance Sheet as deferred income to be recognised in the future accounting period.

1.2.2 Grants received for specific purposes are accounted for as restricted funds in the Statement of Financial Activities.

**1.3 Restricted Funds**

Restricted funds are to be used for specific purposes as lay down by the donor. Expenditure that meets these criteria is identified to the fund, together with a fair allocation of management and support costs.

**1.4 Unrestricted Funds**

Unrestricted funds are donations and other incomes received or generated for the objects of the organisation without further specified purpose and are available for general funds.

**1.5 Designated Funds**

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**1.6 Tangible fixed assets**

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives using the following rates:

Office equipment - Photocopier: 25% on cost

**1.7 Resources Expended**

All expenditure is accounted for gross and when incurred. Direct charitable expenditure includes the direct costs of the activities and depreciation on related assets.

Management and administration comprise those costs relating to the Charity's central management and administration as opposed to its charitable activities.



**LONDON ACCOUNTANCY PRACTICE  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 ST MARCH 2022**

<b>2. GRANTS</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total 2022</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
HMRC- Job Retention Scheme	0	0	0	5928
Southwark Council	0	0	0	10000
	<b>0</b>		<b>0</b>	<b>15928</b>

<b>3. ANALYSIS OF GENERATED INCOME</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Independent Examinations	34525	30355
Payroll Administration	19321	18061
Bookkeeping	1025	1595
Membership	3250	3290
Training	0	0
Other Income	100	76
	<b>58221</b>	<b>53377</b>

<b>4. DEBTORS</b>	<b>2022</b>	<b>2021</b>
<b>Due within one year</b>	<b>£</b>	<b>£</b>
Trade Debtors	24887	21400
	<b>24887</b>	<b>21400</b>

<b>5. CREDITORS</b>	<b>2022</b>	<b>2021</b>
<b>Sundry Creditors and Accruals</b>	<b>£</b>	<b>£</b>
Independent Examination	250	250
Rent and service charge		
	<b>250</b>	<b>250</b>

**LONDON ACCOUNTANCY PRACTICE**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST MARCH 2022**

**6. DESIGNATED FUNDS**

The income funds of the Charity include the following designated funds, which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Movement in Funds		
	Balance at 1st April 2021	Incoming	Outgoing
	£	£	£
Salary /Contingency Fund	25000	0	0
	<b>25000</b>	<b>0</b>	<b>0</b>

The trustees have designated funds for redundancy payment to current staff and for any other obligatory payment due as per contract of employment.

**7. TRUSTEES REMUNERATION AND EXPENSES**

No remuneration expenses or benefits was paid to the Trustees during the year.

**8. STAFF COSTS**

Employees average number during the year

2022	2021
4	5

No member of staff is paid more than £60000.00  
 Staff Salaries and employers NI

£	£
35003	35640

<b>35003</b>	<b>35640</b>
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**LONDON ACCOUNTANCY PRACTICE  
DETAILED INCOME & EXPENDITURE  
FOR THE YEAR ENDED 31ST MARCH 2022**

	<b>2022 Unrestricted Fund £</b>	<b>2022 Restricted Fund £</b>	<b>2022 Total Fund £</b>	<b>2021 Total Fund £</b>
<b>INCOMING RESOURCES</b>				
<b>Voluntary Income</b>				
Grant-Southwark Council				10000
HMRC-Job Retention Scheme				<b>5928</b>
	<b>0</b>	<b>0</b>	<b>0</b>	<b>15928</b>
<b>Activities For Generating Funds</b>				
Generated Income	58221		58221	53377
	<b>58221</b>	<b>0</b>	<b>58221</b>	<b>53377</b>
<b>Investment Income</b>				
Deposit Interest (Net)	1		1	1
	<b>1</b>		<b>1</b>	<b>1</b>
<b>TOTAL INCOMING RESOURCES</b>	<b>58222</b>	<b>0</b>	<b>58222</b>	<b>59306</b>
<b>RESOURCES EXPENDED</b>				
<b>Charitable Activities</b>				
Salaries & NI	35003		35003	35000
Staff Travel	0		0	58
Bookkeeping and payroll activities	12350		12350	12000
Volunteers Expenses	5900		5900	4025
Office Expenses/ Cleaning	434		434	509
Rent and service charges	6299		6299	6299
Bank charges	72		72	72
Publications and Membership	0		0	888
Telephone/Internet/Web Hosting	1567		1567	1489
Office Equipment	1394		1394	487
Printing Postage & Stationery	997		997	1014
Software	360		360	155
Data protection	35		35	40
Insurance	399		399	810
Accountancy fees	250		250	250
Miscellaneous	13		13	13
<b>TOTAL RESOURCES EXPENDED</b>	<b>65073</b>		<b>65073</b>	<b>63108</b>