

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2022
for
Merstham Community Facility Trust

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for the Year Ended 31 December 2022

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Merstham Community Facility Trust seeks to support the residents of Merstham, and surrounding areas, in improving the quality of their lives, as individuals, families and the wider community. This can include social and economic welfare; education; personal skills and life opportunities. As part of this the Trust seeks to maintain and develop a physical location/venue which provides a place for people to associate together; for services to be provided from and as a resource for people to meet, work and/or enjoy recreational activities.

The purpose of Merstham Community Facility Trust is set out in our Memorandum & Articles of Association.

This was reviewed during 2019 and the Objectives were amended to reflect the fact that it has now obtained the community facilities it had aspired to obtain. It's Objectives are as follows:

1.1 to further or benefit the residents of Merstham and Surrey (the "local community") and the neighbourhood, without distinction of sex, sexual orientation, race or of political, religious or other opinions by associating together the said residents and the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for the residents;

1.2 to maintain the community centre currently known as the Merstham Community Hub (the "Merstham Hub") and to maintain, manage and develop the facilities available at the Merstham Hub, whether alone or in cooperation with any local authority or other person or body, in furtherance of these Objects; and

1.3 to work with other charitable organisations with common charitable objects to facilitate the development of similar initiatives in the local community and in other areas, in furtherance of these Objects.

Significant activities

The Merstham Community Facilities Trust is dedicated to supporting the community to achieve their social and economic goals. In performing this vital role within a community officially designated as deprived, we seek to:

1. Challenge local deprivation through the support we give to residents and local organisations
2. Strengthen the local community by providing facilities that bring people together
3. Promote digital inclusion by giving training and access to information technology

Translating those principles into everyday activities, the Trust organises, facilitates, and provides:

1. A range of activities identified by the local community as being beneficial to individuals, groups of people and/or the wider community. These include things like a Repair Café, a Community Allotment, a Fishing Group, a group who maintain and improve local recreation areas.
2. Regular adult education, recreation and leisure time courses
3. Meeting facilities to groups whose aims are to respond to the social and economic needs of the local community

Public benefit

Our main activities and who we try to help are described above. All our charitable activities focus on the reduction of social inequality and the promotion of personal and community capacity and are undertaken to further our charitable purposes for the public benefit.

OBJECTIVES AND ACTIVITIES

Volunteers

The Trust relies heavily on the volunteers who give freely of their time and professionalism. Indeed, without the active involvement of our volunteers the trust would effectively cease to function. We take this opportunity to thank them for all the hard work they give in support of the local community.

During 2022 we have greatly increased the number of volunteers involved in our work, and the variety of volunteer opportunities available. We had 24 volunteers in March 2020 and 80 volunteers in March 2022. This was largely due to the funding provided by the National Lottery and the energy and efforts of our Volunteer Coordinator, paid for by Lottery funding.

STRATEGIC REPORT

Achievement and performance

Charitable activities

Since securing our current premises in December 2018 we have continued to build on the benefits of working out of a purpose-built Community Hub, providing an appropriate and welcoming environment for the delivery of our services. However, the lockdown(s) and other restrictions caused by Covid-19 severely curtailed this during 2020 and 2021. However, we have made a strong recovery during 2022, increasing our room hires and associated income, increasing the number of volunteers engaged in our work and restoring, and increasing, the range of activities and services we provide and/or facilitate for local residents.

The Community Centre Manager and the Volunteer Coordinator (posts funded through the National Lottery Community Fund) are now well established in post and are contributing enormously to the services provided by MCFT. The Volunteer Coordinator, supported by the Community Centre Manager and other colleagues, has achieved and in many cases exceeded the initial targets agreed through the funding arrangement. However, the Lottery funding is due to end around March 2023 and we will need to secure other funding in we are to be able to continue employing these 2 essential staff roles.

Our People's Health Trust funded work has also been continuing and developing very positively, with established projects continuing wherever possible, and newer projects being active. However, the People's Health Trust informed us, during 2022, that they would be ending the funding for their Local Conversation projects across the UK, including ourselves. They have given ample notice, around 15 months, and the funding will end in December 2023. Again, this presents a challenge for the charity, as the work funded by them has been transformational for individuals, families and the general local community. If it were to end then this would impact quite negatively across the community. We have been working closely with the People's Health Trust to develop a Sustainability Plan, to ensure that as many of the projects funded by them are able to continue without their financial support. This is proving challenging, but we are optimistic that a number of the projects will continue.

Financial review

Financial position

Our staffing costs are largely paid through the restricted grants we have received, from the People's Health Trust and the National Lottery Community Fund. This funding also supports the costs of the Local Conversation projects run through the People's Health Trust program, and the volunteer support costs are largely met by the National Lottery funding. We are extremely grateful to both these funders for the support they have offered to date, which has had a significant impact on the wellbeing of our local community and many of the individuals and families within that community.

We are, in 2022, in quite a strong financial position, able to meet our operating costs and with reserves to enable to continue operations for around 6 months if all external funding sources disappeared. However, as noted above, our financial security will be challenged in the year or two ahead, and we are prioritising securing alternate funding to ensure we are able to maintain a core staff team, sufficient to continue the successful community support and development we have developed over the last few years and, hopefully, to enable us to respond to new and emerging community needs.

Reserves policy

Our Reserves Policy states: Merstham Community Facility Trust shall hold reserves equal to the core running costs of the following six months operation. As noted above, we do now currently hold reserves at this level.

STRATEGIC REPORT

Financial and risk management objectives and policies

We anticipate that now we have developed a good level of awareness and reputation regarding the rooms we have available to rent at Merstham Hub, we will continue to generate sufficient income to cover our core costs (e.g. rent, insurance, incidental costs) and remain self-sufficient in this core activity.

Furthermore, and importantly, we will be seeking further funding from grant makers and sponsors to enable us to secure and consolidate the community support and development work we have successfully built up over the last few years. We are also keen to develop further services and opportunities based in and around Merstham Hub. These will be offered as and when we can meet the true costs of each initiative, for at least a specified period.

This approach in which we secure our core costs through rental income and then deliver additional services and resources to the community as and when funding is successfully obtained, will provide us with a viable financial base going forward. The trustees are confident that the charity is a going concern for the foreseeable future.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 13th June 2006 and registered as a charity on 30th October 2007. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Our governing documents were reviewed during 2019 and changes agreed with the Charity Commission and Companies House.

Recruitment and appointment of new trustees

Trustees are selected through their initial offer to volunteer as a trustee and then selection interview by a number of existing trustees. The confirmation of appointment of an individual as a trustee is formalised through voting at a trustee meeting.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

05845477 (England and Wales)

Registered Charity number

1121420

Registered office

Merstham Community Hub, 2A-2B Portland Drive, Merstham, Redhill, Surrey, RH1 3HY

Trustees

C N Spragg Chairman

Dr D J Aslett Trustee

M A Brunt Trustee

R W Gardner Trustee (resigned 7.3.23)

I White Trustee

K Lee Trustee

Independent Examiner

DT Associates LLP for Balanced Creations Ltd, 27 Old Gloucester Street, London, WC1N 3AX

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on and signed on the board's behalf by:



.....
C N Spragg - Trustee

Sep 21, 2023

Independent examiner's report to the trustees of Merstham Community Facility Trust ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement - matters of concern identified

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination. However, in carrying out my examination it is clear the charity has a significant reliance on volunteers and other non-finance professional staff to record and maintain the accounting records. During my examination it was clear that several transactions required review and reclassification during the year, and this was not always completed in a timely manner. I note there has been a change in personnel since the reporting period and I have further recommended the engagement of a professional bookkeeper by the charity to ensure the on-going integrity and timeliness of the accounting records.

I confirm that no other matters have come to my attention in connection with the examination giving me reasonable cause to believe that in any material respect:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; and
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

Dennis O'Higgins

Dennis O'Higgins AFA MIPA DChA CMgr FCMI FRSA
The Institute of Financial Accountants (IFA)
DT Associates LLP for Balanced Creations Ltd
27 Old Gloucester Street
London
WC1N 3AX

Date: Sep 21, 2023

Merstham Community Facility Trust

Statement of Financial Activities
for the Year Ended 31 December 2022

	Notes	Unrestricted funds £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	1,840	133,044	134,884	226,445
Other trading activities	3	24,337	-	24,337	27,338
Investment income	4	<u>430</u>	<u>-</u>	<u>430</u>	<u>-</u>
Total		<u>26,607</u>	<u>133,044</u>	<u>159,651</u>	<u>253,783</u>
EXPENDITURE ON					
Charitable activities					
Charitable Activities		<u>39,354</u>	<u>147,133</u>	<u>186,487</u>	<u>172,932</u>
NET INCOME/(EXPENDITURE)		(12,747)	(14,089)	(26,836)	80,851
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>56,337</u>	<u>142,264</u>	<u>198,601</u>	<u>117,750</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>43,590</u></u>	<u><u>128,175</u></u>	<u><u>171,765</u></u>	<u><u>198,601</u></u>

The notes form part of these financial statements

Merstham Community Facility Trust

Balance Sheet

31 December 2022

	Notes	Unrestricted funds £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
FIXED ASSETS					
Tangible assets	9	6,761	-	6,761	2,889
CURRENT ASSETS					
Cash at bank		57,581	188,999	246,580	212,592
CREDITORS					
Amounts falling due within one year	10	(20,752)	-	(20,752)	(16,880)
NET CURRENT ASSETS		<u>36,829</u>	<u>188,999</u>	<u>225,828</u>	<u>195,712</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		43,590	188,999	232,589	198,601
ACCRUALS AND DEFERRED INCOME	12	-	(60,824)	(60,824)	-
NET ASSETS		<u>43,590</u>	<u>128,175</u>	<u>171,765</u>	<u>198,601</u>
FUNDS	13				
Unrestricted funds				43,590	56,337
Restricted funds				<u>128,175</u>	<u>142,264</u>
TOTAL FUNDS				<u>171,765</u>	<u>198,601</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on September 20th 2023 and were signed on its behalf by:



Sep 21, 2023

C N Spragg - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. DONATIONS AND LEGACIES

	31.12.22	31.12.21
	£	£
Donations	1,901	26,291
Grants	<u>132,983</u>	<u>200,154</u>
	<u>134,884</u>	<u>226,445</u>

Restricted donations include the following donations over £15,000:

	2022	2021
Donor	£	£
National Lottery Community Fund	79,104	79,349
People Health Trust	33,367	120,805

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

3. OTHER TRADING ACTIVITIES

	31.12.22	31.12.21
	£	£
Rents Received	23,868	26,173
Other Trading Income	<u>469</u>	<u>1,165</u>
	<u>24,337</u>	<u>27,338</u>

4. INVESTMENT INCOME

	31.12.22	31.12.21
	£	£
Deposit account interest	<u>430</u>	<u>-</u>

5. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.22	31.12.21
	£	£
Depreciation - owned assets	<u>2,122</u>	<u>1,423</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

7. STAFF COSTS

The average monthly number of employees during the year was as follows:

	31.12.22	31.12.21
	<u>5</u>	<u>5</u>
Employees		

No employees received emoluments in excess of £60,000.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	4,144	222,301	226,445
Other trading activities	<u>26,694</u>	<u>644</u>	<u>27,338</u>
Total	<u>30,838</u>	<u>222,945</u>	<u>253,783</u>
EXPENDITURE ON			
Charitable activities			
Charitable Activities	21,685	151,247	172,932

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
NET INCOME	9,153	71,698	80,851
RECONCILIATION OF FUNDS			
Total funds brought forward	47,184	70,566	117,750
TOTAL FUNDS CARRIED FORWARD	<u>56,337</u>	<u>142,264</u>	<u>198,601</u>

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2022	-	48,502	48,502
Additions	<u>5,994</u>	<u>-</u>	<u>5,994</u>
At 31 December 2022	<u>5,994</u>	<u>48,502</u>	<u>54,496</u>
DEPRECIATION			
At 1 January 2022	-	45,613	45,613
Charge for year	<u>699</u>	<u>1,423</u>	<u>2,122</u>
At 31 December 2022	<u>699</u>	<u>47,036</u>	<u>47,735</u>
NET BOOK VALUE			
At 31 December 2022	<u>5,295</u>	<u>1,466</u>	<u>6,761</u>
At 31 December 2021	<u>-</u>	<u>2,889</u>	<u>2,889</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Trade creditors	-	497
Social security and other taxes	-	646
Other creditors	-	837
Accrued expenses	<u>20,752</u>	<u>14,900</u>
	<u>20,752</u>	<u>16,880</u>

11. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.22	31.12.21
	£	£
Within one year	6,580	6,580
Between one and five years	26,320	26,320
In more than five years	<u>6,580</u>	<u>13,160</u>
	<u>39,480</u>	<u>46,060</u>

12. ACCRUALS AND DEFERRED INCOME

	31.12.22	31.12.21
	£	£
Accruals and deferred income	<u>60,824</u>	<u>-</u>

13. MOVEMENT IN FUNDS

	At 1.1.22	Net movement in funds	At 31.12.22
	£	£	£
Unrestricted funds			
Unrestricted Funds	56,337	(12,747)	43,590
Restricted funds			
Restricted Funds	142,264	(14,089)	128,175
	<u>198,601</u>	<u>(26,836)</u>	<u>171,765</u>
TOTAL FUNDS	<u>198,601</u>	<u>(26,836)</u>	<u>171,765</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

13. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted Funds	26,607	(39,354)	(12,747)
Restricted funds			
Restricted Funds	133,044	(147,133)	(14,089)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>159,651</u>	<u>(186,487)</u>	<u>(26,836)</u>

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
Unrestricted Funds	47,184	9,153	56,337
Restricted funds			
Restricted Funds	70,566	71,698	142,264
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>117,750</u>	<u>80,851</u>	<u>198,601</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted Funds	30,838	(21,685)	9,153
Restricted funds			
Restricted Funds	222,945	(151,247)	71,698
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>253,783</u>	<u>(172,932)</u>	<u>80,851</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

13. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.21 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
Unrestricted Funds	47,184	(3,594)	43,590
Restricted funds			
Restricted Funds	70,566	57,609	128,175
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>117,750</u>	<u>54,015</u>	<u>171,765</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted Funds	57,445	(61,039)	(3,594)
Restricted funds			
Restricted Funds	355,989	(298,380)	57,609
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>413,434</u>	<u>(359,419)</u>	<u>54,015</u>

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2022.









Merstham Accounts 2022 - For Signature

Final Audit Report

2023-09-21

Created:	2023-09-21
By:	Dennis OHiggins (dennis.ohiggins@hotmail.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAAdd01-AIWclYHUsf7OxqV3mZeGVcbMvKN

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Signature Date: 2023-09-21 - 7:50:13 AM GMT - Time Source: server- IP address: 86.15.21.146
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2023-09-21 - 7:50:13 AM GMT