

Company Registration Number - 06667600

The Charity Registration Number is :- 1125766

Mercy Foundation Centre
Trustees' Report and Financial Statements
31 July 2021

Mercy Foundation Centre

Report and accounts for the year ended 31 July 2021

Contents

	Page
Charity information	1
Trustees' Annual Report	1
Independent Accountant's Report	8
Statement of Financial Activities	10
Income and Expenditure account	12
Balance sheet	13
Notes to the accounts	14

Mercy Foundation Centre

Company Registration Number - 06667600

Trustees' Annual Report for the year ended 31 July 2021

The Trustees present their Report and Accounts for the year ended 31 July 2021, which also comprises the Directors' Report required by the Companies Act 2006.

Reference and administrative details

The charity name.

The legal name of the charity is:- Mercy Foundation Centre.

The charity is also known by its operating name, Mercy Foundation Centre.

The charity's areas operation and UK charitable registration.

The charity is registered in England & Wales with the Charity Commission in England & Wales (CCEW) with charity number 1125766.

The charity does not operate in any overseas jurisdictions.

Legal structure of the charity

The charity is constituted as a company limited by guarantee, registered under the Companies Acts . The governing document of the charity is the Memorandum and Articles of Association establishing the company under company legislation.

There are no restrictions in the governing documents on the operation of the Charity or on its investment powers other than those imposed by Charity Law.

By operation of law all, trustees are directors under the Companies Act 2006 and all directors are trustees under Charities legislation and have responsibilities, as such, under both company and charity legislation.

Mercy Foundation Centre

Company Registration Number - 06667600

Trustees' Annual Report for the year ended 31 July 2021

The principal operating address, telephone number, email and web addresses of the charity are:-

64 Falcon Road

London,

SW11 2LR,

Telephone 020 7228 0025

Email Address info@mfcentre.org Web address www.mfcentre.org

The registered office of the charity for Companies Act purposes is the same as the operating address shown above.

The Trustees in office on the date the report was approved were:-

D.O. Belonwu

K.C. Njoku

V. Rodney

The following persons served as Trustees during the year ended 31 July 2021 :-

The trustees who served as a trustee in the reporting period were as shown above, and there were no changes during the year, or in the period between the year end and the approval of the accounts.

The purposes of the charity as set out in its governing document.

The charity's objects are to be used for charitable and/or educational purposes.

One of the charity's long term goals is of engagement through utilising work - based learning, skills and training, social inclusion, job brokerage and outreach services to support disadvantaged communities.

The charity's head office is situated at 64 Falcon Road, London. The head office helps the charity to achieve its long term vision of "engagement through utilising work-based learning; skills and training; social inclusion; job brokerage; and outreach services to support disadvantaged communities".

The centre is equipped with a modern IT suite and Mercy Foundation Centre is a member of UK online centres network-supported by Good Things Foundation: providing free or discounted basic Computer training, Literacy and numeric training and free counselling session.

The centre is City and Guilds Accredited for Online Basic awards.

Mercy Foundation Centre

Company Registration Number - 06667600

Trustees' Annual Report for the year ended 31 July 2021

The main activities undertaken in relation to those purposes during the year.

The Charity engaged in various activities like operating a home work club for kids from disadvantaged homes, providing soft skills training for the unemployed in the local community in addition to providing English Language classes that helps ethnic minorities.

The main activities undertaken during the year to further the charity's purpose for the public benefit.

The charity seeks to promote racial harmony in society through education and raising awareness about discrimination and the challenges faced by disadvantaged communities. In addition, the charity supports and empowers victims of discrimination.

The charity engaged in various activities like operating a home work club for kids from disadvantaged homes, providing soft skills training for the unemployed in the local community in addition to providing English Language classes that helps ethnic minorities.

The trustees have had regard to the Charity Commission's guidance on public benefit in managing the activities of the charity.

The contribution of volunteers during the year.

The charity relies on volunteers to effectively deliver her programmes and for the day to day activities. In addition to the members of the Executive committee who volunteer their time, the charity engaged more than 12 volunteers during the reporting year.

The main achievements and performance of the charity during the year.

The charity seeks to promote racial harmony in society through education and raising awareness about discrimination and the challenges faced by disadvantaged communities. In addition, the charity supports and empowers victims of discrimination.

The charity engaged in various activities like operating a home work club for kids from disadvantaged homes, providing soft skills training for the unemployed in the local community in addition to providing English Language classes that helps ethnic minorities.

The activities of the charity in the year under review was heavily impacted by Covid-19. It wasn't possible to deliver many of the charity's activities at the Centre and most of the activities were delivered online.

Mercy Foundation Centre

Company Registration Number - 06667600

Trustees' Annual Report for the year ended 31 July 2021

The difference the charity's performance during the year has made to the beneficiaries of the charity.

The Charity operated an online home work club for kids. The Home work club has been running for 10 years and is quite popular with the kids and their parents. The homework club utilised volunteers who provide 1-1 support to the kids attending the club.

The home work club is designed to support the wider learning and education of the kids in the immediate area where the Charity operates. A significant number of parents who enrolled their children for the home work club reported improvements in their numeracy as well as other subjects.

The degree to which the achievements and performance during the year have benefited wider society.

The Charity's Head Office is very popular with adults and kids. The centre is equipped with a modern IT suite and provides free or discounted basic Computer training, Literacy and numeric training and free counselling session.

A number of adults and young people have benefitted over the years from the Charity's programme over the years. This has enhanced their employability, social inclusion and upward mobility.

Structure, governance and management of the charity

The methods used to recruit and appoint new charity trustees.

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Trustee status is gained by election on to the Executive Committee. At the first meeting a new trustee attends as an observer. They are subsequently supplied with an explanatory membership forms.

The charity's organisational structure.

The Charity comprise of Main executive committee, chair, Secretary and Treasurer.

Any vote is decided by a simple majority.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006.

The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities. The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out in Part 15 of the Companies Act 2006 and in accordance with the Charities SORP (FRS 102).

Bankers

Natwest Bank
1 Abbey Road
London
Depot Code 190
NW10 7RA

Mercy Foundation Centre

Company Registration Number - 06667600

Trustees' Annual Report for the year ended 31 July 2021

Financial review

The charity's financial position at the end of the year ended 31 July 2021

The financial position of the charity at 31 July 2021 and comparatives for the prior period, as more fully detailed in the accounts, can be summarised as follows:-

	2021	2020
	£	£
Net income	3,649	13,379
Unrestricted Revenue Funds available for the general purposes of the charity	47,457	43,809
Total Funds	47,457	43,809

Financial review of the position at the reporting date, 31 July 2021 .

The trustees consider the financial performance by the charity during the year to have been satisfactory.

The charity currently relies on grants and donations from its members. Primary funders in 2020-2021 were:

Good Things Foundation, Paddington Development and Talk Talk. Grants will continue to be the primary source of funding for the charity, but the support of the members and volunteers will continue to be relied upon.

A Reserve policy is in place. The Executive committee are in agreement that adequate reserves are needed to keep the charity running in order to mitigate against fluctuations in grant and other sources of income.

The Charity continue to be impacted by various internal and external factors that have restricted the inflow of grants during the reporting year. The Executive Committee continues to monitor the socio-economic environment as the charity continues to be impacted by Government and household cut backs on grants and donations.

Looking into the future, The Executive Committee expects the pandemic and resulting lockdowns to significantly impact the organisation's finances in addition to service delivery but are confident that the charity will be able to continue as a going concern.

Policies on reserves.

A Reserve policy is in place. The Executive committee are in agreement that adequate reserves are needed to keep the charity running in order to mitigate against fluctuations in grant and other sources of income.

Availability and adequacy of assets of each of the funds

The Executive Committee is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

Details of The Independent Examiner

Job Eghobamien

Chartered Certified Accountant

123 High Street

Sawston

Cambridge

CB22 3HJ

Mercy Foundation Centre

Company Registration Number - 06667600

Trustees' Annual Report for the year ended 31 July 2021

Statement of the Directors Trustees' Responsibilities

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Companies Act 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. Notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with the SORP 2005, in view of the fact that the SORP 2005 has been withdrawn, the Trustees determined to interpret this responsibility as requiring them to follow current best practice and prepare the accounts according to the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), .

In particular, the Companies Act 2006 and charity law require the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Board is required to :-

- to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;

The law requires that the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 2006 and comply with regulations made under the Charities Act. 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.

The Trustees are also responsible for the contents of the Trustees' report, and the statutory responsibility of the Independent Examiner in relation to the Trustees' report is limited to examining the report and ensuring that, on the face of the report, there are no material inconsistencies with the figures disclosed in the financial statements.

Mercy Foundation Centre

Company Registration Number - 06667600

Trustees' Annual Report for the year ended 31 July 2021

Method of preparation of accounts - Small company provisions

The financial statements are set out on pages 10 to 24.

The financial statements have been prepared implementing the FRS 102 SORP (Statement of

These financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006, applicable to companies subject to the small companies regime.

This report was approved by the board of trustees on 14 July 2022.



V RODNEY
Director and Trustee

Mercy Foundation Centre

Report of the Independent Examiner to the Trustees of the charitable company on the accounts for the year ended 31 July 2021

I report to the Trustees on my examination of the financial statements of the charitable company on pages 10 to 24 for the year ended 31 July 2021 which have been prepared in accordance with the Charities Act 2011 (the Act) and with the Financial Reporting Standard 102, (effective 1st January 2016) as modified by FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), published by the Charity Commission in England & Wales (CCEW), and under the historical cost convention and the accounting policies set out on page 14.

Respective responsibilities of the Trustees and the Independent Examiner and the basis of the report

As described on page 0, you, the charitable company's Trustees, who are also the Directors of the Company for the purposes of Company law, are responsible for the preparation of the financial statements in accordance with the Companies Act 2006, the Charities Act 2011 and all other applicable law and with United Kingdom Generally Accepted Accounting Practice, applicable to smaller entities, and for being satisfied that the financial statements give a true and fair view.

The Trustees consider that the audit requirement of Section 144(1) of the Charities Act 2011 (the Act) does not apply, and that there is no requirement in the memorandum and articles of the charity for the conducting of an audit, and that the accounts do not require an audit in accordance with Part 16 of the Companies Act 2006 and that no member or members have requested an audit pursuant to Section 476 of the Companies Act 2006. As a consequence, the Trustees have elected that the financial statements be subject to independent examination.

Having satisfied myself that the financial statements are not required to be audited under any legal provision, or otherwise, and are eligible for independent examination, it is my responsibility to:-

- a) examine the financial statements of the charity under Section 145 of the Act;
- b) follow the applicable procedures in the Directions given by the Charity Commission under section 145(5)(b) of the Act.

Basis of Independent Examiner's Statement and scope of work undertaken

I report in respect of my examination of the charity's financial statements carried out under s145 of the Act. In carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act setting out the duties of an independent examiner in relation to the conducting of an independent examination. An independent examination includes a review of the accounting records kept by the charitable company and of the accounting systems employed by the charitable company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you, as Trustees, concerning such matters. The purpose of the examination is to establish as far as possible that there have been no breaches of charity legislation and that, on a test basis of evidence relevant to the amounts and disclosures made, the financial statements comply with the SORP.

The procedures undertaken do not provide all the evidence that would be required in an audit, and information supplied by the Trustees in the course of the examination is not subjected to audit tests or enquiries and does not cover all the matters that an auditor would consider in arriving at an opinion. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide

Consequently, I do not express an audit opinion on the view given by the financial statements, and in particular, I express no opinion as to whether the financial statements give a true and fair view of the affairs of the charity, and my report is limited to the matters set out in the statement below.

I planned and performed my examination so as to satisfy myself that the objectives of the independent examination are achieved and before finalising the report I obtained written assurances from the Trustees of all material matters.

Mercy Foundation Centre

Independent Examiner's Statement, Report and Opinion

Subject to the limitations upon the scope of my work as detailed above, I have completed my examination: and can confirm that:-

The accounts of this charitable company are not required to be audited under Part 16 of the Companies Act 2006;

This is a report in respect of an examination carried out under 145 of the Act and in accordance with Directions given by the Charity Commission under section 145(5)(b) of the Act which may be applicable;

and that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:-

accounting records were not kept in respect of the charity as required by Section 386 of the Companies Act 2006 and Section 130 of The Charities Act 2011;

the financial statements do not accord with those records; or

the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in section 396 of the Companies Act 2006 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;

have not been prepared in accordance with the methods and principles set out in the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Signed:-



Job Eghobamien - Independent Examiner

Chartered Certified Accountant

123 High Street
Sawston
Cambridge
CB22 3HJ

This report was signed on 14 July 2022

Mercy Foundation Centre - Statement of Financial Activities for the year ended 31 July 2021

Statement of Financial Activities (including the Income and Expenditure Account for the year ended 31 July 2021, as required by the Companies Act 2006)

	SORP Ref	Current year Unrestricted Funds 2021 £	Current year Restricted Funds 2021 £	Current year Total Funds 2021 £	Prior Year Total Funds 2020 £
Income & Endowments from:					
Donations & Legacies	A1	45,167	-	45,167	43,039
Investments	A4	-	-	-	100
Total income	A	45,167	-	45,167	43,139
Expenditure on:					
Raising funds	B1	4,940	-	4,940	2,231
Charitable activities	B2	5,007	-	5,007	3,379
Other	B3	31,571	-	31,571	24,150
Total expenditure	B	41,518	-	41,518	29,760
Net income for the year		3,649	-	3,649	13,379
Net income after transfers	A-B-C	3,649	-	3,649	13,379
Net movement in funds		3,649	-	3,649	13,379
Reconciliation of funds:-					
	E				
Total funds brought forward		43,809	-	43,809	30,431
Total funds carried forward		47,458	-	47,458	43,810

The 'SORP Ref' indicated above is the classification of income set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the Balance Sheet.

A separate Statement of Total Recognised Gains and Losses is not required as this statement includes all recognised gains and losses.

All the prior year transactions were unrestricted items, and no further analysis is required

All activities derive from continuing operations

The notes attached on pages 14 to 24 form an integral part of these accounts.

Mercy Foundation Centre - Statement of Financial Activities for the year ended 31 July 2021

All activities derive from continuing operations

The notes attached on pages 14 to 24 form an integral part of these accounts.

Mercy Foundation Centre - Resources applied in the year ended 31 July 2021 towards fixed assets for Charity use:-

	2021 £	2020 £
Funds generated in the year as detailed in the SOFA	3,649	13,379
Net resources available to fund charitable activities	3,649	13,379

The notes attached on pages 14 to 24 form an integral part of these accounts.

Movements in revenue and capital funds for the year ended 31 July 2021

Revenue accumulated funds

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Last year Total Funds 2020 £
Accumulated funds brought forward	43,809	-	43,809	30,431
Recognised gains and losses before transfers	3,649	-	3,649	13,379
	47,458	-	47,458	43,810
Closing revenue funds	47,458	-	47,458	43,810

Summary of funds

	Unrestricted and Designated funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Last Year Total Funds 2020 £
Revenue accumulated funds	47,458	-	47,458	43,810

The notes attached on pages 14 to 24 form an integral part of these accounts.

Mercy Foundation Centre - Statement of Financial Activities for the year ended 31 July 2021

**Mercy Foundation Centre
Income and Expenditure Account for the year ended 31 July 2021 as required by the
Companies Act 2006**

	2021 £	2020 £
Income		
Income from operations	45,167	43,039
Refunds from HMRC on gift aided donations	-	-
Investment income		
Income from investments, other than interest receivable	-	100
Gross income in the year before exceptional items	45,167	43,139
Gross income in the year including exceptional items	45,167	43,139
Expenditure		
Charitable expenditure, excluding depreciation and amortisation	(103)	(4,056)
Depreciation and amortisation	840	4,965
Fundraising costs	4,940	2,231
Governance costs	4,270	2,470
Other expenditure	31,571	48,300
Realised losses on disposals of social investments which are programme related	-	-
Total expenditure in the year	41,518	53,910
Net income before tax in the financial year	3,649	(10,771)
Tax on surplus on ordinary activities	-	-
Net income after tax in the financial year	3,649	(10,771)
Retained surplus for the financial year	3,649	(10,771)

All activities derive from continuing operations

In accordance with the provisions of the Companies Act 2006, the headings and subheadings used in the Income and Expenditure account have been adapted to reflect the special nature of the charity's activities.

The notes attached on pages 14 to 24 form an integral part of these accounts.

Mercy Foundation Centre - Balance Sheet as at 31 July 2021

	SORP		2021	2020
	Note	Ref	£	£
Fixed assets		A		
Intangible assets	9	A1	-	-
Tangible assets	10	A2	1,002	1,842
Total fixed assets			<u>1,002</u>	<u>1,842</u>
Current assets		B		
Cash at bank and in hand		B4	47,306	42,817
Creditors: amounts falling due within one year	11	C1	<u>(850)</u>	<u>(850)</u>
Net current assets			46,456	41,967
The total net assets of the charity			<u>47,458</u>	<u>43,809</u>

The total net assets of the charity are funded by the funds of the charity, as follows:-

Restricted funds

Unrestricted Funds

Unrestricted Revenue Funds	14	D3	47,458	43,809
			47,458	43,809
Designated Funds				
Total charity funds			<u>47,458</u>	<u>43,809</u>

The 'SORP Ref' indicated above is the classification of Balance Sheet items as set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the SOFA..

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The member has not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The charity is subject to Independent Examination under charity legislation, and the report of the Independent Examiner is on page 9.

The financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006, applicable to companies subject to the small companies regime.

V. N. Rodney
V RODNEY
 Trustee

Approved by the board of trustees on 14 July 2022

The notes attached on pages 14 to 24 form an integral part of these accounts.

Mercy Foundation Centre

Notes to the Accounts for the year ended 31 July 2021

1 Accounting policies

Policies relating to the production of the accounts.

Basis of preparation and accounting convention

The accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016) and 'FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), published by the Charity Commission in England & Wales (CCEW), effective January 2016, and in accordance with all applicable law in the charity's jurisdiction of registration, except that the charity has prepared the financial statements in accordance with the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), in preference to the previous SORP, the SORP 2005, which has been withdrawn, notwithstanding the fact that the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008 refer explicitly to the SORP 2005. This has been done to accord with current best practice.

Going Concern

The charitable activities are entirely dependent on continuing grant aid and voluntary donations as well as trading revenues. As a consequence, the going concern basis is dependent on the future flow of these uncertain funding streams.

The economic and social climate post Covid-19 continues to be a challenging one. Accordingly, the Trustees have obtained forecasts and, after reviewing the financial forecasts for future periods to 31 July 2022, the Trustees are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements.

Other than these matters, the Trustees are not aware of any material uncertainties about the charity's ability to continue as a going concern.

Risks and future assumptions

The charity is a public benefit entity. The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Policies relating to categories of income and income recognition.

Nature of income

Gross income represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Categories of Income

Income is categorised as income from exchange transactions (contract income) and income from non-exchange transactions (gifts), investment income and other income.

Income from exchange transactions is received by the charity for goods or services supplied under contract or where entitlement is subject to fulfilling performance related conditions. The income the charity receives is approximately equal in value to the goods or services supplied by the charity to the purchaser.

Income from a non-exchange transaction is where the charity receives value from the donor without providing equal value in exchange, and includes donations of money, goods and services freely given without giving equal value in exchange.

Mercy Foundation Centre

Notes to the Accounts for the year ended 31 July 2021

Income recognition

Income, whether from exchange or non exchange transactions, is recognised in the statement of financial activities (SOFA) on a receivable basis, when a transaction or other event results in an increase in the charity's assets or a reduction in its liabilities and only when the charity has legal entitlement, the income is probable and can be measured reliably.

Income subject to terms and conditions which must be met before the charity is entitled to the resources is not recognised until the conditions have been met.

All income is accounted for gross, before deducting any related fees or costs.

Accounting for deferred income and income received in advance

Where terms and conditions relating to income have not been met or uncertainty exists as to whether the charity can meet any terms or conditions otherwise within its control, income is not recognised but is deferred as a liability until it is probable that the terms or conditions imposed can be met.

Any grant that is subject to performance-related conditions received in advance of delivering the goods and services required by that condition, or is subject to unmet conditions wholly outside the control of the recipient charity, is accounted for as a liability and shown on the balance sheet as deferred income. Deferred income is released to income in the reporting period in which the performance-related or other conditions that limit recognition are met.

When income from a grant or donation has not been recognised due to the conditions applying to the gift not being wholly within the control of the recipient charity, it is disclosed as a contingent asset if receipt of the grant or donation is probable once those conditions are met.

Where time related conditions are imposed or implied by a funder, then the income is apportioned to the time periods concerned, and, where applicable, is accounted for as a liability and shown on the balance sheet as deferred income. When grants are received in advance of the expenditure on the activity funded by them, but there are no specific time related conditions, then the income is not deferred.

Any condition that allows for the recovery by the donor of any unexpended part of a grant does not prevent recognition of the income concerned, but a liability to any repayment is recognised when repayment becomes probable.

Policies relating to expenditure on goods and services provided to the charity.

Recognition of liabilities and expenditure

A liability, and the related expenditure, is recognised when a legal or constructive obligation exists as a result of a past event, and when it is more likely than not that a transfer of economic benefits will be required in settlement, and when the amount of the obligation can be measured or reliably estimated.

Liabilities arising from future funding commitments and constructive obligations, including performance related grants, where the timing or the amount of the future expenditure required to settle the obligation are uncertain, give rise to a provision in the accounts, which is reviewed at the accounting year end. The provision is increased to reflect any increases in liabilities, and is decreased by the utilisation of any provision within the period, and reversed if any provision is no longer required. These movements are charged or credited to the respective funds and activities to which the provision relates.

Volunteers

In accordance with the SORP, and in recognition of the difficulties in placing a monetary value on the contribution from volunteers, the contribution of volunteers is not included within the income of the charity.

However, the trustees value the significant contribution made to the activities of the charity by unpaid volunteers and this is described more fully in Note 6.

Policies relating to assets, liabilities and provisions and other matters.

Tangible fixed assets

Tangible fixed assets are measured at their original cost value, or subsequent revaluation, or if donated, as described above. Cost value includes all costs expended in bringing the asset into its intended working condition.

Depreciation has been provided at the following rates in order to write off the assets to their anticipated residual value over their estimated useful lives.

Leasehold premises
Plant and machinery

in accordance with the property
25 % reducing balance

Mercy Foundation Centre

Notes to the Accounts for the year ended 31 July 2021

A regular annual review of the likelihood of asset impairment is undertaken.

Creditors and provisions

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes. There are no Designated funds.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal or as implied by law. There are no Restricted funds.

There are no endowment funds.

2 Liability to taxation

The Trustees consider that the charity satisfies the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 for UK corporation tax purposes.

Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively on the specific charitable objects of the charity and for no other purpose.

3 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

4 Significance of financial instruments to the charity's position

The Charity does not presently hold any financial instrument nor has it engaged in transactions that have given rise to such. There is thus no risk associated with holding any financial instruments as it relates to the financial performance of the Charity.

5 Net surplus before tax in the financial year

	2021 £	2020 £
The net surplus before tax in the financial year is stated after charging:-		
Depreciation of owned fixed assets	840	4,965

6 The contribution of volunteers

The charity depends on the support of its volunteers, which is much appreciated. The charity had 12 Volunteers who donated 2,880 hours of their time helping with various activities like the Homework Club, computer and internet mentoring, counselling, soft skill advice, etc.

It is estimated that without the help of volunteers, the Charity would need to find the equivalent of over £25,000 to obtain similar services. The arrangements with volunteers are difficult to value precisely in monetary terms and have not been recognised in the Statement of Financial Activities. The volunteers and the charity accept and agree that no contract of employment is created by these arrangements.

Mercy Foundation Centre

Notes to the Accounts for the year ended 31 July 2021

7 Remuneration and payments to Trustees and persons connected with them

No trustees or persons connected with them received any remuneration from the charity, or any related entity.

8 Trustees' expenses

The expenses reimbursed to trustees, or paid directly to third parties, in the current or prior year, was as shown below.

	2021 £	2020 £
The amount reimbursed to trustees	3,670	2,000
The nature of the trustees' expenses was travel and subsistence		

The number of trustees' to whom expenses were reimbursed was 1

9 Intangible Fixed Assets

	2021 £	2020 £
Leasehold:		
Cost		
At 1 August 2020	35,095	35,095
At 31 July 2021	35,095	35,095
Amortisation		
At 1 August 2020	35,095	31,588
Provided during the year	-	3,507
At 31 July 2021	35,095	35,095
Net book value	-	-

10 Tangible fixed assets

<i>Current Year</i>	Land and Buildings £	Plant & Machinery £	Motor Vehicles £	Total £
Cost				
At 1 August 2020	-	14,589	-	14,589
At 31 July 2021	-	14,589	-	14,589
Depreciation				
At 1 August 2020	-	12,747	-	12,747
Charge for the year	-	840	-	840
At 31 July 2021	-	13,587	-	13,587
Net book value				
At 31 July 2021	-	1,002	-	1,002
At 31 July 2020	-	1,842	-	1,842

Mercy Foundation Centre

Notes to the Accounts for the year ended 31 July 2021

<i>Prior Year</i>	Land and Buildings	Plant & Machinery	Motor Vehicles	Total
	£	£	£	£
Cost				
01 August 2019	-	14,589	-	14,589
31 July 2020	-	14,589	-	14,589
Depreciation				
01 August 2019	-	11,289	-	11,289
Charge for the year	-	1,458	-	1,458
31 July 2020	-	12,747	-	12,747
Net book value				
31 July 2020	-	1,842	-	1,842
01 August 2019	-	3,300	-	3,300

11 Creditors: amounts falling due within one year	2021	2020
	£	£
Accruals	850	850

12 Income and Expenditure account summary	2021	2020
	£	£
At 1 August 2020	19,660	30,431
Surplus after tax for the year	3,649	(10,771)
At 31 July 2021	23,309	19,660

13 Particulars of how particular funds are represented by assets and liabilities

At 31 July 2021	Unrestricted funds	Designated funds	Restricted funds	Total Funds
	£	£	£	£
Tangible Fixed Assets	1,002	-	-	1,002
Current Assets	47,306	-	-	47,306
Current Liabilities	(850)	-	-	(850)
	47,458	-	-	47,458
At 1 August 2020	Unrestricted funds	Designated funds	Restricted funds	Total Funds
	£	£	£	£
Tangible Fixed Assets	1,842	-	-	1,842
Current Assets	42,817	-	-	42,817
Current Liabilities	(850)	-	-	(850)
	43,809	-	-	43,809

Mercy Foundation Centre

Notes to the Accounts for the year ended 31 July 2021

14 Change in total funds over the year as shown in Note 13 , analysed by individual funds

	Funds brought forward from 2020	Movement in funds in 2021	Transfers between funds in 2021	Funds carried forward to 2022
	£	See Note 15 £	See Note 0 £	£
Unrestricted and designated funds:-				
Unrestricted Revenue Funds	43,809	3,649	-	47,458
Total unrestricted and designated funds	43,809	3,649	-	47,458
Total charity funds	43,809	3,649	-	47,458

15 Analysis of movements in funds over the year as shown in Note 14

	Income	Expenditure	Other Gains & Losses	Movement in funds
	2021 £	2021 £	2021 £	2021 £
Unrestricted and designated funds:-				
Unrestricted Revenue Funds	45,167	(41,518)	-	3,649
	45,167	(41,518)	-	3,649

16 The purposes for which the funds

Unrestricted and designated funds:-

Unrestricted Revenue Funds	These funds are held for the meeting the objectives of the charity, and to provide reserves for future activities, and , subject to charity legislation, are free from all restrictions on their use.
Unrestricted Revaluation Reserve	This fund represents the unrestricted surplus arising on the revaluation of the charity's assets.
Designated Revenue Funds	Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.
Designated Fixed Asset Funds	The purpose of these funds is described under the accounting policy 'Accounting for capital grants and fixed asset funds'.

Restricted funds:-

Restricted Fixed Asset Funds	The purpose of these funds is described under the accounting policy 'Accounting for capital grants and fixed asset funds'.
Restricted Revaluation Reserve	This fund represents the restricted surplus arising on the revaluation of the charity's assets.

Mercy Foundation Centre

Detailed analysis of income and expenditure for the year ended 31 July 2021 as required by the SORP 2015

This analysis is classified by conventional nominal descriptions and not by activity.

17 Donations, Grants and Legacies

	Current year Unrestricted Funds 2021 £	Current year Restricted Funds 2021 £	Current year Total Funds 2021 £	Prior Year Total Funds 2020 £
Donations and gifts from individuals				
Refunds from HMRC on gift aided donations	-	-	-	-
Total donations and gifts from individuals	240	-	240	945

	Current year Unrestricted Funds 2021 £	Current year Restricted Funds 2021 £	Current year Total Funds 2021 £	Prior Year Total Funds 2020 £
Revenue grants from government and public bodies				
Business Support Grant	-	-	-	10,000
Total public sector revenue grants	-	-	-	10,000

	Current year Unrestricted Funds 2021 £	Current year Restricted Funds 2021 £	Current year Total Funds 2021 £	Prior Year Total Funds 2020 £
Revenue grants and donations from non public bodies				
CAFI- Talk Talk	9,000	-	9,000	-
Paddington Development	34,127	-	34,127	13,501
Good Things Foundation	1,800	-	1,800	8,748
National Lottery	-	-	-	9,845
Total private sector revenue grants	44,927	-	44,927	32,094

Mercy Foundation Centre

Detailed analysis of income and expenditure for the year ended 31 July 2021 as required by the SORP 2015

Revenue grants and donations from non public bodies (Include Gift Aid donations from subsidiaries) - Prior Year analysis

		Prior Year Unrestricted Funds 2020 £	Prior Year Restricted Funds 2020 £	Prior Year Total Funds 2020 £	
Total Donations, Grants and Legacies					
Total Donations, Grants and Legacies	A1	45,167	-	45,167	43,039
18 Investment income					
		Current year Unrestricted Funds 2021 £	Current year Restricted Funds 2021 £	Current year Total Funds 2021 £	Prior Year Total Funds 2020 £
Property Rental Income		-	-	-	100
Total investment income	A4	-	-	-	100
19 Expenditure on charitable activities - Direct spending					
Current Year		Current year Unrestricted Funds 2021 £	Current year Restricted Funds 2021 £	Current year Total Funds 2021 £	Prior Year Total Funds 2020 £
Supplies for homework club		737	-	737	909
Total direct spending	B2a	737	-	737	909

Mercy Foundation Centre

Detailed analysis of income and expenditure for the year ended 31 July 2021 as required by the SORP 2015

20 Support costs for charitable activities

<i>Current Year</i>	Current year Unrestricted Funds 2021 £	Current year Restricted Funds 2021 £	Current year Total Funds 2021 £	Prior Year Total Funds 2020 £
Volunteer costs				
Volunteers' expenses	10,835	-	10,835	5,175
Training and welfare - volunteers	584	-	584	120
Travel and subsistence - volunteers	-	-	-	179
Premises Expenses				
Rent, Rates and water charges	9,577	-	9,577	9,074
Light heat and power	1,009	-	1,009	1,056
Premises repairs, renewals and maintenance	7,000	-	7,000	1,828
Administrative overheads				
Telephone, fax and internet	1,199	-	1,199	1,175
Postage	20	-	20	64
Advertising and marketing	50	-	50	110
Liability and contents insurance	417	-	417	404
Professional fees paid to advisors other than the auditor or examiner				
Other legal and professional	40	-	40	-
Financial costs				
Depreciation & Amortisation in total	840	-	840	4,965
Support costs before reallocation	31,571	-	31,571	24,150
Less support costs reallocated to specific activities				
To non charitable costs	(31,571)	-	(31,571)	(24,150)
The basis of allocation of costs between activities is described under accounting policies				-
Administrative overheads				(24,150)

The basis of allocation of costs between activities is described under accounting policies

21 Other Expenditure - Governance costs

<i>Current Year</i>	Current year Unrestricted Funds 2021 £	Current year Restricted Funds 2021 £	Current year Total Funds 2021 £	Prior Year Total Funds 2020 £
Independent Examiner's fees	600	-	600	470
Trustees' expenses	3,670	-	3,670	2,000
Total Governance costs	4,270	-	4,270	2,470

Mercy Foundation Centre

Detailed analysis of income and expenditure for the year ended 31 July 2021 as required by the SORP 2015

All the expenditure in the prior year was unrestricted.

22 Total Charitable expenditure

<i>Current Year</i>		Current year Unrestricted Funds 2021 £	Current year Restricted Funds 2021 £	Current year Total Funds 2021 £	Prior Year Total Funds 2020 £
Total direct spending	B2a	737	-	737	909
Total Governance costs	B2e	4,270	-	4,270	2,470
Total charitable expenditure	B2	5,007	-	5,007	3,379

All the expenditure in the prior year was unrestricted.

<i>Prior Year</i>		Prior Year Unrestricted Funds 2020 £	Prior Year Restricted Funds 2020 £	Prior Year Total Funds 2020 £	
Total direct spending	B2a	909	-	909	
Total Governance costs	B2e	2,470	-	2,470	
Total charitable expenditure	B2	3,379	-	3,379	

23 Expenditure on raising funds and costs of investment management

<i>Current Year</i>		Current year Unrestricted Funds 2021 £	Current year Restricted Funds 2021 £	Current year Total Funds 2021 £	Prior Year Total Funds 2020 £
Agent's costs for fundraising		4,940	-	4,940	2,231
Total fundraising costs	B1	4,940	-	4,940	2,231

All the expenditure in the prior year was unrestricted.

24 Other trading expenditure unrelated to fundraising or charitable activities

		Current year Unrestricted Funds 2021 £	Current year Restricted Funds 2021 £	Current year Total Funds 2021 £	Prior Year Total Funds 2020 £
Reallocated from support costs		31,571	-	31,571	24,150
Non charity expenditure	B3b	31,571	-	31,571	24,150

Mercy Foundation Centre

Detailed analysis of income and expenditure for the year ended 31 July 2021 as required by the SORP 2015

Other trading expenditure unrelated to fundraising or charitable activities - Prior Year analysis

		Unrestrict d Funds	Restricted Funds	Total Funds		
25 Total of other expenditure						
Current Year		Current year Unrestrict d Funds 2021 £	Current year Restricted Funds 2021 £	Current year Total Funds 2021 £	Prior Year Total Funds 2020 £	
Non charity expenditure		31,571	-	31,571	24,150	
Total other expenditure	B3	31,571	-	31,571	24,150	
All the expenditure in the prior year was unrestricted.						
Prior Year		Prior Year Unrestrict d Funds 2020 £	Prior Year Restricted Funds 2020 £	Prior Year Total Funds 2020 £		
Non charity expenditure		24,150	-	24,150		
Total other expenditure	B3	24,150	-	24,150		