

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
FOR
SUSTAINABLE MERTON

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Chartered Accountants
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SUSTAINABLE MERTON

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their report with the financial statements of the charity for the year ended 31 March 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

Sustainable Merton is a community led initiative giving local residents, community organisations and businesses the opportunity to stimulate practical action to make our area a sustainable community. The thinking behind this is simply that a borough using energy and resources in a sustainable way could, if well planned and designed, be more resilient, more abundant and more pleasurable than at present.

The charitable purposes of the charity as set out in its governing document are to promote for the benefit of the public in and around the London Borough of Merton:

- (a) the conservation, protection and improvement of the environment, in particular but not exclusively, by encouraging the prudent use of natural resources, and raising awareness of environmental issues;
- (b) the advancement of education of the public in the subject of sustainable development, in particular, but not exclusively by raising awareness of the issues associated with peak oil and climate change and the consequent need to develop a low carbon, sustainable future.

SUSTAINABLE MERTON

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES

Significant activities

A summary of the significant activities in the year is presented below

Sustainable Merton's Community Champions project is the foundation of our work addressing air quality, energy, waste, food and growing spaces, and is supported by volunteers called Community Champions. Our work in this area is funded by the London Borough of Merton's Neighbourhood Fund.

Sustainable Merton's Community Fridge

Our Community Fridge reduces food wastage (which in turn would produce greenhouse gas emissions contributing to the climate emergency) and benefits local residents, who are food insecure. We also coordinate 'Merton's Food Poverty Response Network' and Plan on behalf of Merton Council and, through a number of funding streams, work with partner organisations to collect surplus food from businesses and redistribute it to those living in food insecurity.

We undertook a Gardening project at the Community Fridge to build a sense of community amongst the Community Fridge users and teach them new skills. Grant funding during the year came from London Borough of Merton, Merton Giving, the London Community Fund and Wimbledon Foundation, the London Community Response Fund and the People's Postcode Lottery.

Phipps Bridge Community Allotment and Mitcham Community Orchard and Garden provide opportunities for local residents to work together, benefiting from social interaction, exercise and gaining horticultural knowledge.

Merton residents have benefited from cleaner streets and a better financial return on their recycling through the Hubbub Recycling on the go project.

Project Pre-Loved, funded by Merton Giving, provided opportunities for local residents in the under-served East of the Borough to gain practical, financial and social benefits from learning textile skills.

Our Loving Earth project, funded by Merton Giving, involved the community in demonstrating their creative skills by creating tapestries and artwork during Covid, allowing them to share their passion for the environment.

The Wheel Project, funded by the Merton Neighbourhood Fund as part of the Council's Climate Action Plan, which supports waste minimisation and the circular economy, began preparations for its formal launch in the autumn 2022. The aim is to encourage networking and build capacity in waste minimisation and upcycling projects across the borough, reducing waste and carbon footprints of local businesses, while increasing business opportunities.

Sustainable Merton devoted funding awarded for capacity building by the National Lottery to improve our policies and procedures. A new financial system was introduced to enable the charity to manage and control restricted grant funding and a new in-house finance team was recruited in September 2021 to manage our finances. A new Treasurer with financial expertise was recruited during 2022. In terms of HR, all staff Job Titles and Job Descriptions were reviewed to better reflect the level of work and actual work being done and to support retention. Salary comparisons with comparable jobs in the charity sector resulted in pay increases for all staff including the CEO.

Work on an Employee Handbook started in addition to the revision and creation of a standard employment contract, data protection policy, and grievance and disciplinary policy. Additional staff were recruited in January 2022 (Growing Spaces Coordinator, Communications and Office Assistant) and the part-time post of Community Champions Project Manager became a full-time post from August 2021.

All our policies were reviewed and brought up to date.

Public benefit

In planning the activities of the charity the trustees have had regard to the guidance of the Charity Commission with regard to public benefit.

SUSTAINABLE MERTON

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES

Volunteers

Without its volunteers, who we call Community Champions, Sustainable Merton could not achieve all that it does. Our Community Champions embrace those we call our Fridge Friends and our Growing Spaces volunteers. The total number of Community Champions increased from 145 in January 2021 to 222 in January 2022. Between January 2021 and January 2022 volunteer hours increased by 76%, from 2955 hours to 5212 hours.

Sustainable Merton is grateful to the retiring volunteer Treasurer Sue McGhie (not a Trustee) who stood down in September 2021 after 4 years of service, through a period of time where the charity has grown very substantially, with increasing financial complexities, including managing payroll, restricted grant funding and supplier contracts.

SUSTAINABLE MERTON

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The work of Sustainable Merton was recognised through the Runner Up award in the Breakthrough Charity Of the Year category in the Merton Best Business Awards.

The number of Community Champions engaged in Sustainable Merton's activities grew 53% between Jan 2021 and Jan 2022 (from 145 to 222).

FOOD

Sustainable Merton co-ordinated Merton Council's Food Poverty Response Network and the ongoing development of the borough's Food Poverty Action Plan. The major part of this involved Merton's Community Fridge Network. The model of operation for the Community Fridge Network was developed by Sustainable Merton, who hold the funding for the partners in the network, including The Polish Families Association, Commonsense Development Trust and Merton Community Transport.

Sustainable Merton's Community Fridge is run from Morden Baptist Church and was open twice a week to residents suffering food insecurity (no formal referral needed). The number of unique households using the Fridge during the year totalled 1051, with visit numbers per month rising from 148 to 306 between April 2021 and March 2022. Over 13,150kg of food was donated, with the number of local businesses regularly donating rising from 3 to 9 across the year, in addition to Fareshare and the Felix Project as well as national retailers. A team of volunteers worked in shifts to collect food donations and run the fridge, contributing a total of 1727 hours.

An on-site Community Garden for Community Fridge users, was established, with funding from Sustainable Food Places, and sessions were run by a paid sessional gardener. We also undertook a mapping project of community growing spaces funded by Sustainable Food Places in order to link them to our Community Fridge Network when harvesting their produce.

Growing Spaces

Monthly Action Days at Mitcham Community Orchard and Garden enabled some larger scale pieces of work to be undertaken, beyond the scope of the regular maintenance and improvement work at the orchard. The Orchard also hosted the Intergenerational Food Growing Project funded by Clarion Housing which brings together older and younger local people to grow and cook together.

Twice weekly sessions at Phipps Bridge Community Allotment continued, where almost three quarters of a tonne of produce was harvested and shared amongst the volunteers or donated to the Community Fridge.

In March 2022 funding from Merton Council was approved for Merton Garden Streets, to be run from 1st April as part of the Council's Climate Change Action Plan, and aiming to improve biodiversity by planting up tree pits and grass verges, reduce likelihood of flash floods by de-paving and planting up front gardens, and encouraging neighbours to get engaged in their communities.

ENERGY

An Energy Efficiency Handbook was published Sept 2021 and shared with the community, including at a Pop-up Energy Saving event.

AIR QUALITY

An Air Quality Handbook was published May 2021 and shared in the wider community via various channels.

24 bikes were donated to the Bike Project (a charity which provides refugees with bikes) as part of Clean Air Day on 17 June with a pop-up donation point outside the office, supporting Sustainable Merton's work on both Air Quality and Waste.

Sustainable Merton continued to chair the Environmental Sub Group & Air Quality Action Plan Group, (reporting to the borough-wide Merton Partnership) which aims to coordinate environmental and air quality activity across the borough, benefiting those who live, work and study in Merton.

Sustainable Merton also worked with the Council's Air Quality team, with volunteers undertaking air quality monitoring as part of our citizen's science project.

We also continued to care for 18 trees with Clarion Housing as part of the High Path regeneration project.

SUSTAINABLE MERTON

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

WASTE

Sustainable Merton partnered the national charity Hubbub to deliver Recycling on the Go, working also with Merton Council, with a particular focus on the period of the Wimbledon Tennis Championships in July 2021. 24 new bins with separate recycling containers were installed in the town. By the end of the campaign, 9 in 10 plastic bottles and cans ended up in recycling compared to only 1 in 2 at the start. The subsequent lack of contamination in the recycling containers meant that recycling facilities were then able to accept the contents, which had previously been too contaminated to be recycled.

Project Pre-loved - In September 2021 we received funding from Merton Giving to run 8 social sewing workshops focusing on teaching people how to mend and re-purpose textiles (clothes, bags etc). 41 people were involved, with 56% of them from the east of the borough.

Working with the Library of Things and Merton Council, we helped launch this new initiative running out of Morden Library, engaging with residents to encourage them to borrow items rather than buy them.

AWARENESS RAISING

Sustainable Merton wrote to local MPs in relation to COP26, and we also ran a webinar and produced a COP26 inspired newsletter.

Membership of Merton's Business Network for Climate Action increased by 30% between January 2021 and Jan 2022 (from 20 to 26 businesses)

Sustainable Merton supported the Loving Earth project and, with funding from Merton Giving, ran workshops and engaged with residents and colleges to produce textile panels reflecting on the environment during the Covid pandemic. We mounted an exhibition in July 2021 with support from Wimbledon Centre Court Shopping.

Sustainable Merton continued to coordinate Green Coffee meetings which continued remote monthly meetings whilst in person gatherings were prohibited, providing a forum for discussing and raising local environmental issues.

When permitted, Green Drinks provided opportunities for social gatherings and networking of local green-minded residents.

Likewise, Merton Green Parents Group was initiated by one of our Community Champions and provided opportunities for the sharing of sustainable parenting tips.

FINANCIAL REVIEW

Financial position

During the year, our grant income increased and we made a significant policy change in the way income is managed, moving from a cash to an accrued income accounting system. We have used external accountants as our independent examiners to produce our accounts. The 2021/22 accounts reflect the shift in our accounting and deferred income. Sustainable Merton remains in good financial health with funds to cover its contractual commitments.

Principal funding sources

Grant funding was received from multiple grant bodies including London Borough of Merton, Merton Giving, National Lottery, People's Postcode Lottery, Clarion Housing Community Fund, Wimbledon Foundation, the London Community Response Fund, Hubbub and the Soil Association.

Donations into the Charity were received through our subscribers, fundraising activity bringing donations from residents and businesses and our Local Giving platform.

Reserves policy

Sustainable Merton's Reserves Policy is to retain unrestricted funds to the value of 3 months typical expenditure. This amount includes salaries and office costs, enabling the charity to continue running during lean periods between the award of grants.

Details of the amount of reserves held are shown in the Statement of Financial Activities for the year and the balance sheet for the year end.

SUSTAINABLE MERTON

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is constituted as a Charitable Incorporated Organisation (CIO) and is regulated by the Charity Commission. The activities of the CIO are controlled by its constituting document which is based on the Charity Commission model association CIO constitution.

Recruitment and appointment of new trustees

New trustees are co-opted by the Board of Trustees during the year and confirmed by election at the AGM.

Organisational structure

Because the charity has grown and financial operations have become more complicated, the Trustees took the decision to split the two roles of financial operation and financial governance. When our volunteer Treasurer stepped down in Sept 2021 a financially qualified Treasurer Trustee was co-opted to maintain strategic oversight over the finances and financial governance and a Finance Manager and Book-keeper (sessionally paid) were appointed to manage the finance function and carry out day to day financial operations. The Trustees also set up a Finance sub-committee, enabling them to review detailed financial issues more efficiently.

Induction and training of new trustees

All new trustees have received induction training on their governance responsibilities, including financial controls, safeguarding and other policies.

Wider network

The Sustainable Merton CEO is responsible for managing the charity's operational activity, overseeing a team of staff, volunteers and self-employed contractors. Sustainable Merton takes a very active part in the local community and borough networks, and much of its activity is undertaken in partnership with local organisations as outlined in the previous sections.

Risk management

A Trustee has led on our organisational risk assessment and Trustees have continued to review our risk log. Sustainable Merton Trustees have not identified any risks where the likelihood and impact score was higher than "acceptable low risk", using the risk assessment methodology recommended by the National Council for Voluntary Organisations. Controls and mitigating actions are in place to minimise risks in the areas of governance, finance, operations, external factors and regulatory & compliance activities.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1156639

Principal address

The Old Boiler House
Morden Hall Park
Morden Hall Road
Morden
SM4 5JD

Trustees

B M Cuddon Chair
R Baber Secretary
A S Randall Treasurer (appointed 9/3/22)
Dr J D Boyd
L A Lazzarino
Dr G Leigh
A Maries
Mrs B Pena-Mendez (resigned 1/10/21)
J Webb (resigned 1/10/21)

SUSTAINABLE MERTON

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Examiner
Hartley Fowler LLP
Chartered Accountants
4th Floor Tuition House
27-37 St George's Road
Wimbledon
London
SW19 4EU

Approved by order of the board of trustees on 13 January 2023 and signed on its behalf by:

B M Cuddon - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SUSTAINABLE MERTON

Independent examiner's report to the trustees of Sustainable Merton

I report to the charity trustees on my examination of the accounts of Sustainable Merton (the Trust) for the year ended 31 March 2022.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under Section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under Section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Trust as required by Section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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 accounts to be reached.

Jonathan Askew
ICAEW
Hartley Fowler LLP
Chartered Accountants
4th Floor Tuition House
27-37 St George's Road
Wimbledon
London
SW19 4EU

16 January 2023

SUSTAINABLE MERTON

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		7,437	9,375	16,812	3,858
Charitable activities					
General		1,059	124,717	125,776	176,495
Total		8,496	134,092	142,588	180,353
EXPENDITURE ON					
Raising funds		173	-	173	144
Charitable activities					
General		(46)	176,810	176,764	107,394
Total		127	176,810	176,937	107,538
NET INCOME/(EXPENDITURE)		8,369	(42,718)	(34,349)	72,815
RECONCILIATION OF FUNDS					
Total funds brought forward		26,262	101,500	127,762	54,947
TOTAL FUNDS CARRIED FORWARD		34,631	58,782	93,413	127,762

The notes form part of these financial statements

SUSTAINABLE MERTON

BALANCE SHEET
31 MARCH 2022

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	4	2,944	-	2,944	-
CURRENT ASSETS					
Debtors	5	4,722	-	4,722	-
Cash at bank		213,961	58,782	272,743	127,762
		<u>218,683</u>	<u>58,782</u>	<u>277,465</u>	<u>127,762</u>
CREDITORS					
Amounts falling due within one year	6	(186,996)	-	(186,996)	-
NET CURRENT ASSETS		<u>31,687</u>	<u>58,782</u>	<u>90,469</u>	<u>127,762</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		34,631	58,782	93,413	127,762
NET ASSETS		<u>34,631</u>	<u>58,782</u>	<u>93,413</u>	<u>127,762</u>
FUNDS	7				
Unrestricted funds				34,631	26,262
Restricted funds				<u>58,782</u>	<u>101,500</u>
TOTAL FUNDS				<u>93,413</u>	<u>127,762</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 13 January 2023 and were signed on its behalf by:

B M Cuddon - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The accounts for the year to March 2021 and prior years were prepared on a cash basis. For the 2022 accounts and for the future the charity has changed to preparing accounts on an accruals basis. No adjustments have been made to the prior year figures as the trustees do not consider the change in accounting policy to have significantly changed the figures previously reported.

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 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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

2. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

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

3. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3,858	-	3,858
Charitable activities			
General	-	176,495	176,495
Total	3,858	176,495	180,353
EXPENDITURE ON			
Raising funds	-	144	144
Charitable activities			
General	8,265	99,129	107,394
Total	8,265	99,273	107,538
NET INCOME/(EXPENDITURE)	(4,407)	77,222	72,815
RECONCILIATION OF FUNDS			
Total funds brought forward	30,669	24,278	54,947
TOTAL FUNDS CARRIED FORWARD	26,262	101,500	127,762

4. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
Additions	3,097
DEPRECIATION	
Charge for year	153
NET BOOK VALUE	
At 31 March 2022	2,944
At 31 March 2021	-

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other debtors	4,596	-
Prepayments	126	-
	<u>4,722</u>	<u>-</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	6,014	-
Taxation and social security	4,235	-
Other creditors	176,747	-
	<u>186,996</u>	<u>-</u>

7. MOVEMENT IN FUNDS

	At 1/4/21	Net movement in funds	At 31/3/22
	£	£	£
Unrestricted funds			
General fund	26,262	8,369	34,631
Restricted funds			
Restricted	101,500	(42,718)	58,782
	<u>127,762</u>	<u>(34,349)</u>	<u>93,413</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	8,496	(127)	8,369
Restricted funds			
Restricted	134,092	(176,810)	(42,718)
	<u>142,588</u>	<u>(176,937)</u>	<u>(34,349)</u>

7. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/20 £	Net movement in funds £	At 31/3/21 £
Unrestricted funds			
General fund	30,669	(4,407)	26,262
Restricted funds			
Restricted	24,278	77,222	101,500
TOTAL FUNDS	54,947	72,815	127,762

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,858	(8,265)	(4,407)
Restricted funds			
Restricted	176,495	(99,273)	77,222
TOTAL FUNDS	180,353	(107,538)	72,815

8. RELATED PARTY DISCLOSURES

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