

THE MERSEA ISLAND COMMUNITY ASSOCIATION

England & Wales · Charity number 1179484

Details

Other names MERSEA ISLAND COMMUNITY ASSOCIATION, MICA

Status Registered

Legal form CIO

Registered 2018-08-08

Register [View on the Charity Commission register](#)

Contact

Address The Mersea Centre
38 High Street
West Mersea
Essex
CO5 8QA

Phone 01206384656

Email reception@merseacentre.org

Website www.merseacentre.org

Activities

Objects: THE OBJECTS OF THE CIO ARE:(A) TO FURTHER OR BENEFIT THE INHABITANTS OF MERSEA ISLAND, I.E. THAT WHOLE AREA WHICH INCLUDES EAST AND WEST MERSEA, AND THE NEIGHBOURHOOD ("THE AREA OF BENEFIT"), WITHOUT DISTINCTION OF SEX, SEXUAL ORIENTATION, RACE OR OF POLITICAL, RELIGIOUS OR OTHER OPINIONS BY ASSOCIATING TOGETHER THE SAID 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 SAID INHABITANTS.(B) TO MAINTAIN AND MANAGE A COMMUNITY CENTRE OR TO CO-OPERATE WITH ANY STATUTORY AUTHORITY IN THE MAINTENANCE AND MANAGEMENT OF SUCH A CENTRE FOR ACTIVITIES PROMOTED BY THE CIO IN FURTHERANCE OF THE ABOVE OBJECTS.

Activities: Provides and manages a Community Centre in a building in the Centre of West Mersea. The Facilities are available to members of the public in West Mersea, East Mersea and the surrounding area. These facilities include Two Squash Courts, two halls which can be adapted to suit different activities,

Kitchen, Bar with separate Lounge, Charity Shop and Fully fitted Gym.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Recreation
- **Who:** The General Public/mankind

Geography

- Essex

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£256,950	£221,011	-	-
2023-12-31	£246,260	£252,020	-	-
2022-12-31	£162,521	£169,814	-	-
2021-12-31	£133,361	£144,657	-	-
2020-12-31	£160,220	£155,199	-	-

Trustees

Name	Role	Appointed
BRIAN FRANCIS GEORGE BOLTON	Chair	2018-08-08
Dr Thomas Bernard Hart		2025-10-15
Fiona Rodwell		2019-06-01
Frances Thomas		2018-08-08
Gary Petley		2018-10-03
Jennifer A Lee		2018-10-03
Peter Tydie		2018-10-03
Robert M Jenkins		2018-10-03
WENDY ANN BOLTON		2018-08-08

THE MERSEA ISLAND COMMUNITY ASSOCIATION

England & Wales - Charity number 1179484

Accounts

Charity registration number 1179484

**MERSEA ISLAND COMMUNITY ASSOCIATION CIO
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	B Bolton W Bolton F Thomas G Petley J Lee P Tydie R Jenkins F Rodwell
Charity number	1179484
Principal address	The Mersea Centre 38 High Street West Mersea Colchester Essex CO5 8QA
Auditor	Streets Audit LLP c/o The Old Exchange 64 West Stockwell Street Colchester Essex CO1 1HE

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

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MERSEA ISLAND COMMUNITY ASSOCIATION CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees present their report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the CIO's governing document, the Charities Act 2011 and "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

The original Association was founded in 1976 by a Trust deed to promote the benefit of the inhabitants of Mersea Island by the advancement of education and the provision of social welfare for recreation and leisure time occupation. The Trust Deed charity was converted to a Charitable Incorporated Organisation (CIO) in 2019.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the CIO should undertake.

Achievements and performance

During the year the Association has continued to operate the Mersea Island Community Centre to provide the following facilities for the benefit of the residents of and visitors to Mersea Island:

A central site comprising a mixture of meeting, function and sports halls that can be used by local organisations and the general public for a variety of functions.

Sports facilities that include a fitness centre and squash and badminton courts. These are augmented by a number of keep fit events for all ages which include Pilates, Yoga, Keep Fit, Karate, Diddi Dance, Walking Football, Walking Cricket, Tai Chi, Table Tennis, Carpet Bowls.

Theatrical facilities are available which permit rehearsal, dance training and the means to put on amateur shows and plays.

The main and small halls are available to provide regular concerts, film shows, dances, private parties, blood donor sessions, diabetic eye clinics, Barclays Bank hub, poll facilities, public meetings, tabletop sales and bazaars.

The Centre has become busier throughout the year. Attendance at activities has increased and more activity sessions have been introduced. Events have been well attended. A brochure is now produced and distributed locally to advertise activities and events at the Centre and has proved successful. Members also receive regular emails.

Financial review

It is the policy of the Association that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure.

Costs are monitored, researched and advice taken to ensure that decisions are made to keep costs to a reasonable level. The new heating system has dramatically reduced gas consumption and having been able to secure a lottery grant towards a solar energy system electricity consumption should also be lower in 2025. A 24 hour music marathon was run at the centre in May 2024 which raised funds primarily for a new sound system for the Centre. The system will be up and running for 2025.

The centre running costs were covered from charges made to users and from donations in money and in kind. Donations made in kind are sold through the association's own charity shop, which is staffed by volunteers. The association has also benefited from some gift aid income.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Decisions are taken in good time so that any changes to the Association's operations are made in a timely manner in order that the Charity remains financially sound and is able to continue to serve the community.

The Trustees has assessed the major risks to which the CIO is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The trustees and management endeavour to ensure that the Centre is used to best advantage and that every opportunity is taken to take on long term commitments to ensure a steady income.

There is a five-year plan in place to prioritise improvements that need to be made at the centre.

Structure, governance and management

The Association is a Charitable Incorporated Organisation (CIO), subject to the provisions of its Constitution.

The Trustees who served during the year and up to the date of signature of the financial statements were:

B Bolton

W Bolton

F Thomas

G Petley

J Lee

P Tydie

R Jenkins

F Rodwell

A Dix

(Resigned 31 March 2024)

C McNair

(Resigned 29 January 2024)

Each trustee is appointed by a resolution passed at a properly convened meeting of the charity trustees. Appointments are made with regard to the skills, knowledge and experience needed for the effective administration of the CIO.

The day to day operation of the centre in 2024 was the responsibility of the Manager, Mr. Tim Gannon. The manager was assisted by 2 full time, five part-time staff and a team of volunteers to ensure that the Centre has operated as fully as possible in the year.

Auditor

In accordance with the company's articles, a resolution proposing that Streets Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.

B Bolton
Trustee

F Thomas
Trustee

19 March 2025

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the CIO and of the incoming resources and application of resources of the CIO for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

Opinion

We have audited the financial statements of Mersea Island Community Association CIO (the 'CIO') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the CIO in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 20 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the CIO's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the CIO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The audit tests, including planning procedures, adopted for the audit of these financial statements are designed to assess and detect the risk of irregularities, including fraud. Our risk assessment of the likelihood of irregularities included the high degree of involvement of the experienced board members, which reduces the risk of irregularities.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the CIO through discussions with trustees and other management, and from our knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act, VAT legislation and data protection, employment and health and safety legislation;

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence, and reviewing board meeting minutes;
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- We made enquiries with management as to if they considered where they was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- We considered the internal controls in place that would mitigate the risks of fraud and non-compliance with laws and regulations.

We identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and the specific procedures performed to address them are described below:

- We obtained an understanding of the revenue process and the flow of financial information to the general ledger and how this is classified as restricted and unrestricted.
- Cut-off testing was performed at the year-end date by reviewing revenue which had be accrued for and revenue that had been recognised after date to identify any transaction which had been erroneously recognised in the incorrect period. The same testing was carried out for expenditure.
- In line with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we reviewed accounting records for any unusual adjustments.

In addition to the above, our procedures to respond to the risk identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risk of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance for the year.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Streets Audit LLP

19 March 2025

Chartered Accountants

Statutory Auditor

c/o The Old Exchange
64 West Stockwell Street
Colchester
Essex
CO1 1HE

Streets Audit LLP is eligible for appointment as auditor of the CIO by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
Income from:							
Donations and legacies	2	46,289	22,010	68,299	33,824	44,990	78,814
Charitable activities	3	187,899	-	187,899	167,120	-	167,120
Investments	4	752	-	752	326	-	326
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total income		234,940	22,010	256,950	201,270	44,990	246,260
Expenditure on:							
Charitable activities	5	217,052	3,959	221,011	203,344	48,676	252,020
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure		217,052	3,959	221,011	203,344	48,676	252,020
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net income/(expenditure) and movement in funds		17,888	18,051	35,939	(2,074)	(3,686)	(5,760)
Reconciliation of funds:							
Fund balances at 1 January 2024		369,952	14,745	384,697	372,026	18,431	390,457
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at 31 December 2024		387,840	32,796	420,636	369,952	14,745	384,697
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	11		349,435		346,392
Investments	12		4		4
			<u>349,439</u>		<u>346,396</u>
Current assets					
Debtors	13	6,618		11,223	
Cash at bank and in hand		86,765		47,348	
		<u>93,383</u>		<u>58,571</u>	
Creditors: amounts falling due within one year	14	(22,186)		(20,270)	
Net current assets			<u>71,197</u>		<u>38,301</u>
Total assets less current liabilities			<u>420,636</u>		<u>384,697</u>
The funds of the CIO					
Restricted income funds	17		32,796		14,745
Unrestricted funds	18		387,840		369,952
			<u>420,636</u>		<u>384,697</u>

The financial statements were approved by the Trustees on 19 March 2025

B Bolton
Trustee

F Thomas
Trustee

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Mersea Island Community Association CIO is a Charitable Incorporated Organisation, registered with the Charities Commission.

1.1 Accounting convention

The financial statements have been prepared in accordance with the CIO's Constitution, the Charities Act 2011 and "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)". The CIO is a Public Benefit Entity as defined by FRS 102.

The CIO has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the CIO. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the CIO has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the CIO is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the CIO has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Membership subscriptions are released to the Statement of Financial Activities over the period of the membership term.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Income from grants is included in incoming resources when these are receivable, except as follows:

- when donors specify that grants given to the charity must be used in future accounting periods;
- when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the preconditions have been met;
- when donors specify that grants are for restricted purposes which do not amount to preconditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

1.5 Expenditure

Resources expended are recognised in the period in which they are incurred. Resources expended include VAT which cannot be recovered. Governance comprises costs for the running of the charity itself as an organisation.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	No depreciation provided
Development expenditure	No depreciation provided
Fixtures and fittings	20% Reducing Balance / 25% Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in net income/(expenditure) for the year.

A subsidiary is an entity controlled by the CIO. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the CIO reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.9 Financial instruments

The CIO has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the CIO's balance sheet when the CIO becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

Financial assets comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital.

Investments, including those in subsidiary undertakings are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure.

Financial liabilities held at amortised cost comprise all creditors except social security and other taxes, deferred income and provisions.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the CIO is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	46,289	22,010	68,299	33,824	44,990	78,814

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Income from donations and legacies (Continued)

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts						
Enovert Community Trust	-	1,010	1,010	-	44,990	44,990
Lottery Community Fund	-	20,000	20,000	-	-	-
Colchester County Council	-	1,000	1,000	-	-	-
Mersea Island Community Trading Company Limited	24,312	-	24,312	31,805	-	31,805
Other	6,947	-	6,947	2,019	-	2,019
Mersea Island Music Marathon Donations	15,030	-	15,030	-	-	-
	<u>46,289</u>	<u>22,010</u>	<u>68,299</u>	<u>33,824</u>	<u>44,990</u>	<u>78,814</u>

3 Charitable activities

	2024 £	2023 £
Subscription and affiliation fees	15,412	16,558
Activities	47,428	42,387
Shop income	71,946	65,617
Hall hire	53,113	42,558
	<u>187,899</u>	<u>167,120</u>

4 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	752	326
	<u>752</u>	<u>326</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

5 Charitable activities

	2024	2023
	£	£
Staff costs	121,771	108,705
Depreciation and impairment	7,057	6,316
Rates	5,597	5,626
Insurance	5,885	6,001
Light and heat	14,776	22,062
Repairs and general maintenance	22,360	60,430
Postage, printing and telephone	14,390	10,728
Equipment hire	5,160	5,390
Sporting costs	5,664	4,957
Event costs	3,449	3,049
Irrecoverable VAT	7,754	12,179
Bank charges	2,113	1,822
	<u>215,976</u>	<u>247,265</u>
Share of governance costs (see note 6)	5,035	4,755
	<u>221,011</u>	<u>252,020</u>
Analysis by fund		
Unrestricted funds	217,052	203,344
Restricted funds	3,959	48,676
	<u>221,011</u>	<u>252,020</u>

6 Support costs allocated to activities

	2024	2023
	£	£
Governance costs	5,035	4,755
	<u>5,035</u>	<u>4,755</u>
Analysed between:		
Charitable activities	5,035	4,755
	<u>5,035</u>	<u>4,755</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

6 Support costs allocated to activities (Continued)

	2024	2023
	£	£
Governance costs comprise:		
Audit fees	3,672	3,464
Accountancy	1,363	1,291
	<u>5,035</u>	<u>4,755</u>

All governance costs were payable to the Auditor for the provision of audit services and preparation of the statutory accounts.

7 Net movement in funds 2024 £ 2023 £

The net movement in funds is stated after charging/(crediting):

Fees payable for the audit of the charity's financial statements	3,672	3,464
Depreciation of owned tangible fixed assets	7,057	6,316
	<u>7,057</u>	<u>6,316</u>

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the CIO during the year.

9 Employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
	8	8
	<u>8</u>	<u>8</u>

	2024	2023
	£	£
Employment costs		
Wages and salaries	117,193	106,233
Social security costs	2,813	930
Other pension costs	1,765	1,542
	<u>121,771</u>	<u>108,705</u>

There were no employees whose annual remuneration was more than £60,000.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

9 Employees (Continued)

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2024	2023
	£	£
Aggregate compensation	34,086	32,325

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Tangible fixed assets

	Freehold land and buildings	Development expenditure	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 January 2024	27,630	293,815	71,749	393,194
Additions	-	-	10,100	10,100
At 31 December 2024	27,630	293,815	81,849	403,294
Depreciation and impairment				
At 1 January 2024	-	-	46,802	46,802
Depreciation charged in the year	-	-	7,057	7,057
At 31 December 2024	-	-	53,859	53,859
Carrying amount				
At 31 December 2024	27,630	293,815	27,990	349,435
At 31 December 2023	27,630	293,815	24,947	346,392

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

12 Fixed asset investments

	Other investments
Cost or valuation	
At 1 January 2024 & 31 December 2024	4
	<u>4</u>
Carrying amount	
At 31 December 2024	4
	<u>4</u>
At 31 December 2023	4
	<u>4</u>

	Notes	2024	2023
		£	£
Other investments comprise:			
Investments in subsidiaries	21	4	4
		<u>4</u>	<u>4</u>

13 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	2,391	4,915
Other debtors	3,135	5,215
Prepayments and accrued income	1,092	1,093
	<u>6,618</u>	<u>11,223</u>
	<u>6,618</u>	<u>11,223</u>

14 Creditors: amounts falling due within one year

	Notes	2024	2023
		£	£
Deferred income	15	17,063	15,147
Accruals		5,123	5,123
		<u>22,186</u>	<u>20,270</u>
		<u>22,186</u>	<u>20,270</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

15 Deferred income

	2024	2023
	£	£
Arising from Membership in advance and production deposits	17,063	15,147

Deferred income is included in the financial statements as follows:

	2024	2023
	£	£
Deferred income is included within:		
Current liabilities	17,063	15,147
Movements in the year:		
Deferred income at 1 January 2024	15,147	10,115
Released from previous periods	(15,147)	(10,115)
Resources deferred in the year	17,063	15,147
Deferred income at 31 December 2024	17,063	15,147

16 Retirement benefit schemes

	2024	2023
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	1,765	1,542

The CIO operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the CIO in an independently administered fund.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2024	Incoming resources	Resources expended	At 31 December 2024
	£	£	£	£
Centre refurbishment work and fixed assets	14,745	-	(2,949)	11,796
Enovert Community Trust - Roof repair	-	1,010	(1,010)	-
Lottery Community Fund - Solar instalation	-	20,000	-	20,000
Colchester County Council - Roof repair	-	1,000	-	1,000
	<u>14,745</u>	<u>22,010</u>	<u>(3,959)</u>	<u>32,796</u>

Previous year:	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
Centre refurbishment work and fixed assets	18,431	-	(3,686)	14,745
Enovert Community Trust - Heating fund	-	44,990	(44,990)	-
	<u>18,431</u>	<u>44,990</u>	<u>48,676</u>	<u>14,745</u>

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Incoming resources	Resources expended	At 31 December 2024
	£	£	£	£
Sound System Upgrade	-	15,030	(2,020)	13,010
General funds	369,952	219,910	(215,032)	374,830
	<u>369,952</u>	<u>234,940</u>	<u>(217,052)</u>	<u>387,840</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

18 Unrestricted funds (Continued)

Previous year:	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
General funds	372,026	201,270	(203,344)	369,952

19 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 December 2024:			
Tangible assets	337,639	11,796	349,435
Investments	4	-	4
Current assets/(liabilities)	50,197	21,000	71,197
	<u>387,840</u>	<u>32,796</u>	<u>420,636</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 December 2023:			
Tangible assets	331,647	14,745	346,392
Investments	4	-	4
Current assets/(liabilities)	38,301	-	38,301
	<u>369,952</u>	<u>14,745</u>	<u>384,697</u>

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects of the CIO.

Restricted funds are funds given by grants for specific refurbishment works or fixed assets.

20 Related party transactions

During the period Mersea Island Community Trading Company Limited, a subsidiary of the CIO, donated £24,312 (2023: £31,805) to the CIO from whose premises it runs a bar. No conditions are attached to these donations.

At the end of the period, the CIO was owed by the company £2,391 (2023: £4,915), this is unsecured and no conditions are attached.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

21 Subsidiaries

Details of the CIO's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Mersea Island Community Trading Company Limited	England and Wales	Hospitality	Ordinary	100	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Mersea Island Community Trading Company Limited	24,158	2,442

22 Non-audit services provided by auditor

In common with many charities of our size and nature we use our auditor to assist with the preparation of the financial statements.

THE MERSEA ISLAND COMMUNITY ASSOCIATION

England & Wales - Charity number 1179484

Accounts

Charity registration number 1179484

**MERSEA ISLAND COMMUNITY ASSOCIATION CIO
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

B Bolton
W Bolton
F Thomas
G Petley
J Lee
P Tydie
R Jenkins
F Rodwell

Charity number

1179484

Principal address

The Mersea Centre
38 High Street
West Mersea
Colchester
Essex
CO5 8QA

Auditor

Streets Audit LLP
The Old Exchange
64 West Stockwell Street
Colchester
Essex
CO1 1HE

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

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MERSEA ISLAND COMMUNITY ASSOCIATION CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the CIO's governing document, the Charities Act 2011 and "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

The original Association was founded in 1976 by a Trust deed to promote the benefit of the inhabitants of Mersea Island by the advancement of education and the provision of social welfare for recreation and leisure time occupation. The Trust Deed charity was converted to a Charitable Incorporated Organisation (CIO) in 2019.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the CIO should undertake.

Achievements and performance

During the year the Association has continued to operate the Mersea Island Community Centre to provide the following facilities for the benefit of the residents of and visitors to Mersea Island:

A central site comprising a mixture of meeting, function and sports halls that can be used by local organisations and the general public for a variety of functions.

Sports facilities that include a fitness centre and squash and badminton courts. These are augmented by a number of keep fit events for all ages which include Pilates, Yoga, Keep Fit, Karate, Diddi Dance, Walking Football, Walking Cricket, Tai Chi, Table Tennis, Carpet Bowls.

Theatrical facilities are available which permit rehearsal, dance training and the means to put on amateur shows and plays.

The main and small halls are available to provide regular concerts, film shows, dances, private parties, blood donor sessions, diabetic eye clinics, Barclays Bank hub, poll facilities, public meetings, tabletop sales and bazaars.

Financial review

It is the policy of the Association that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure.

Costs are monitored, researched and advice taken to ensure that decisions are made to keep costs to a reasonable level. Energy prices have been a concern but the grant for the new heating system meant that once the system was operational gas consumption was reduced to about half of its previous level but costs remained high as the the gas price per unit increased dramatically when a new gas contract had to be negotiated at the start of 2023 amid rapidly rising prices. The minimum time that a new contract could be for was one year and new negotiations took place at the end of the year for 2024 which has resulted in a much reduced rate.

The centre running costs were covered from charges made to users and from donations in money and in kind.

Donations made in kind are sold through the Association's own charity shop, which is staffed by volunteers.

Decisions are taken in good time so that any changes to the Association's operations are made in a timely manner in order that the Charity remains financially sound and is able to continue to serve the community.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees has assessed the major risks to which the CIO is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The trustees and management endeavour to ensure that the Centre is used to best advantage and that every opportunity is taken to take on long term commitments to ensure a steady income.

There is a five-year plan in place to prioritise improvements that need to be made at the centre.

Structure, governance and management

The Association is a Charitable Incorporated Organisation (CIO), subject to the provisions of its Constitution.

The Trustees who served during the year and up to the date of signature of the financial statements were:

B Bolton

W Bolton

P Russell-Grant (Resigned 7 August 2023)

F Thomas

G Petley

J Lee

P Tydie

R Jenkins

F Rodwell

A Dix (Resigned 31 March 2024)

C McNair (Appointed 17 April 2023 and resigned 29 January 2024)

Each trustee is appointed by a resolution passed at a properly convened meeting of the charity trustees. Appointments are made with regard to the skills, knowledge and experience needed for the effective administration of the CIO.

The day to day operation of the centre in 2023 was the responsibility of the Manager, Mr. Tim Gannon. The manager was assisted by 2 full time, five part-time staff and a team of volunteers to ensure that the Centre has operated as fully as possible in the year.

Auditor

In accordance with the company's articles, a resolution proposing that Streets Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.

B Bolton

Trustee

F Thomas

Trustee

24 April 2024

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the CIO and of the incoming resources and application of resources of the CIO for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

Opinion

We have audited the financial statements of Mersea Island Community Association CIO (the 'CIO') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the CIO in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 20 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the CIO's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the CIO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The audit tests, including planning procedures, adopted for the audit of these financial statements are designed to assess and detect the risk of irregularities, including fraud. Our risk assessment of the likelihood of irregularities included the high degree of involvement of the experienced board members, which reduces the risk of irregularities.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the CIO through discussions with trustees and other management, and from our knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act, VAT legislation and data protection, employment and health and safety legislation;

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence, and reviewing board meeting minutes;
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- We made enquiries with management as to if they considered where they was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- We considered the internal controls in place that would mitigate the risks of fraud and non-compliance with laws and regulations.

We identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and the specific procedures performed to address them are described below:

- We obtained an understanding of the revenue process and the flow of financial information to the general ledger and how this is classified as restricted and unrestricted.
- Cut-off testing was performed at the year-end date by reviewing revenue which had be accrued for and revenue that had been recognised after date to identify any transaction which had been erroneously recognised in the incorrect period. The same testing was carried out for expenditure.
- In line with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we reviewed accounting records for any unusual adjustments.

In addition to the above, our procedures to respond to the risk identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risk of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance for the year.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Insley BA ACA (Senior Statutory Auditor)
for and on behalf of Streets Audit LLP

24 April 2024

Chartered Accountants
Statutory Auditor

The Old Exchange
64 West Stockwell Street
Colchester
Essex
CO1 1HE

Streets Audit LLP is eligible for appointment as auditor of the CIO by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income from:							
Donations and legacies	2	33,824	44,990	78,814	28,796	-	28,796
Charitable activities	3	167,120	-	167,120	133,541	-	133,541
Investments	4	326	-	326	184	-	184
Total income		<u>201,270</u>	<u>44,990</u>	<u>246,260</u>	<u>162,521</u>	<u>-</u>	<u>162,521</u>
Charitable activities	5	<u>203,344</u>	<u>48,676</u>	<u>252,020</u>	<u>165,206</u>	<u>4,608</u>	<u>169,814</u>
Net expenditure and movement in funds		(2,074)	(3,686)	(5,760)	(2,685)	(4,608)	(7,293)
Reconciliation of funds:							
Fund balances at 1 January 2023		<u>372,026</u>	<u>18,431</u>	<u>390,457</u>	<u>374,711</u>	<u>23,039</u>	<u>397,750</u>
Fund balances at 31 December 2023		<u><u>369,952</u></u>	<u><u>14,745</u></u>	<u><u>384,697</u></u>	<u><u>372,026</u></u>	<u><u>18,431</u></u>	<u><u>390,457</u></u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	10		346,392		352,708
Investments	11		4		4
			<u>346,396</u>		<u>352,712</u>
Current assets					
Debtors	12	11,223		22,789	
Cash at bank and in hand		47,348		31,488	
		<u>58,571</u>		<u>54,277</u>	
Creditors: amounts falling due within one year	13	20,270		16,532	
		<u>20,270</u>		<u>16,532</u>	
Net current assets			38,301		37,745
Total assets less current liabilities			<u>384,697</u>		<u>390,457</u>
The funds of the CIO					
Restricted income funds	15	14,745		18,431	
Unrestricted funds		369,952		372,026	
		<u>384,697</u>		<u>390,457</u>	

The financial statements were approved by the Trustees on 24 April 2024

B Bolton
Trustee

F Thomas
Trustee

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Mersea Island Community Association CIO is a Charitable Incorporated Organisation, registered with the Charities Commission.

1.1 Accounting convention

The financial statements have been prepared in accordance with the CIO's Constitution, the Charities Act 2011 and "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)". The CIO is a Public Benefit Entity as defined by FRS 102.

The CIO has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the CIO. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the CIO has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the CIO is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the CIO has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Membership subscriptions are released to the Statement of Financial Activities over the period of the membership term.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Income from grants is included in incoming resources when these are receivable, except as follows:

- when donors specify that grants given to the charity must be used in future accounting periods;
- when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the preconditions have been met;
- when donors specify that grants are for restricted purposes which do not amount to preconditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

1.5 Expenditure

Resources expended are recognised in the period in which they are incurred. Resources expended include VAT which cannot be recovered. Governance comprises costs for the running of the charity itself as an organisation.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	No depreciation provided
Development expenditure	No depreciation provided
Fixtures and fittings	20% Reducing Balance / 25% Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in net income/(expenditure) for the year.

A subsidiary is an entity controlled by the CIO. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the CIO reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.9 Financial instruments

The CIO has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the CIO's balance sheet when the CIO becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

Financial assets comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital.

Investments, including those in subsidiary undertakings are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure.

Financial liabilities held at amortised cost comprise all creditors except social security and other taxes, deferred income and provisions.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the CIO is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	33,824	44,990	78,814	28,796	-	28,796

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Income from donations and legacies (Continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts						
Enovert Community Trust	-	44,990	44,990	-	-	-
Mersea Island Community Trading Company Limited	31,805	-	31,805	22,606	-	22,606
Other	2,019	-	2,019	1,390	-	1,390
Colchester Borough Council (COVID Business grants)	-	-	-	4,800	-	4,800
	<u>33,824</u>	<u>44,990</u>	<u>78,814</u>	<u>28,796</u>	<u>-</u>	<u>28,796</u>

3 Charitable activities

	2023 £	2022 £
Subscription and affiliation fees	16,558	10,921
Activities	42,387	30,017
Shop income	65,617	60,551
Hall hire	42,558	32,052
	<u>167,120</u>	<u>133,541</u>

4 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	<u>326</u>	<u>184</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Charitable activities

	2023	2022
	£	£
Staff costs	108,705	91,207
Depreciation and impairment	6,316	7,878
Rates	5,626	3,733
Insurance	6,001	7,570
Light and heat	22,062	10,582
Repairs and general maintenance	60,430	15,392
Postage, printing and telephone	10,728	10,566
Equipment hire	5,390	5,010
Sporting costs	4,957	3,996
Event costs	3,049	2,018
Irrecoverable VAT	12,179	5,847
Bank charges	1,822	1,260
	<u>247,265</u>	<u>165,059</u>
Share of governance costs (see note 6)	4,755	4,755
	<u>252,020</u>	<u>169,814</u>
Analysis by fund		
Unrestricted funds	203,344	165,206
Restricted funds	48,676	4,608
	<u>252,020</u>	<u>169,814</u>

6 Support costs allocated to activities

	2023	2022
	£	£
Governance costs	4,755	4,755
	<u>4,755</u>	<u>4,755</u>
Analysed between:		
Charitable activities	4,755	4,755
	<u>4,755</u>	<u>4,755</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

6 Support costs allocated to activities (Continued)

	2023	2022
	£	£
Governance costs comprise:		
Audit fees	3,464	3,464
Accountancy	1,291	1,291
	<u>4,755</u>	<u>4,755</u>

All governance costs were payable to the Auditor for the provision of audit services and preparation of the statutory accounts.

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the CIO during the year.

8 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
	8	7
	<u>8</u>	<u>7</u>

Employment costs

	2023	2022
	£	£
Wages and salaries	106,233	89,086
Social security costs	930	776
Other pension costs	1,542	1,345
	<u>108,705</u>	<u>91,207</u>

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	32,325	31,409
	<u>32,325</u>	<u>31,409</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

9 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

10 Tangible fixed assets

	Freehold land and buildings £	Development expenditure £	Fixtures and fittings £	Total £
Cost				
At 1 January 2023	27,630	293,815	71,749	393,194
At 31 December 2023	27,630	293,815	71,749	393,194
Depreciation and impairment				
At 1 January 2023	-	-	40,486	40,486
Depreciation charged in the year	-	-	6,316	6,316
At 31 December 2023	-	-	46,802	46,802
Carrying amount				
At 31 December 2023	27,630	293,815	24,947	346,392
At 31 December 2022	27,630	293,815	31,263	352,708

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Fixed asset investments

	Other investments
Cost or valuation	
At 1 January 2023 & 31 December 2023	4
	<u> </u>
Carrying amount	
At 31 December 2023	4
	<u> </u>
At 31 December 2022	4
	<u> </u>

	Notes	2023	2022
		£	£
Other investments comprise:			
Investments in subsidiaries	19	4	4
		<u> </u>	<u> </u>

12 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	4,915	1,657
Other debtors	5,215	20,040
Prepayments and accrued income	1,093	1,092
	<u> </u>	<u> </u>
	11,223	22,789
	<u> </u>	<u> </u>

13 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Other taxation and social security		-	1,294
Deferred income	14	15,147	10,115
Accruals and deferred income		5,123	5,123
		<u> </u>	<u> </u>
		20,270	16,532
		<u> </u>	<u> </u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

14 Deferred income

	2023	2022
	£	£
Arising from Membership in advance and production deposits	15,147	10,115
	<u>15,147</u>	<u>10,115</u>

Deferred income is included in the financial statements as follows:

	2023	2022
	£	£
Deferred income is included within:		
Current liabilities	15,147	10,115
	<u>15,147</u>	<u>10,115</u>
Movements in the year:		
Deferred income at 1 January 2023	10,115	11,132
Released from previous periods	(10,115)	(11,132)
Resources deferred in the year	15,147	10,115
	<u>15,147</u>	<u>10,115</u>
Deferred income at 31 December 2023	<u>15,147</u>	<u>10,115</u>

15 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds			Movement in funds			Balance at 31 December 2023
	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 1 January 2023	Incoming resources	Resources expended	
	£	£	£	£	£	£	£
Centre refurbishment work and fixed assets	23,039	-	(4,608)	18,431	-	(3,686)	14,745
Enovert Community Trust - Heating fund	-	-	-	-	44,030	(44,030)	-
	<u>23,039</u>	<u>-</u>	<u>(4,608)</u>	<u>18,431</u>	<u>44,030</u>	<u>(47,716)</u>	<u>14,745</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

16 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
General funds	372,026	201,270	(203,344)	369,952
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 January 2022	Incoming resources	Resources expended	At 31 December 2022
	£	£	£	£
General funds	374,711	162,521	(165,206)	372,026
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 December 2023 are represented by:			
Tangible assets	331,647	14,745	346,392
Investments	4	-	4
Current assets/(liabilities)	38,301	-	38,301
	<u> </u>	<u> </u>	<u> </u>
	369,952	14,745	384,697
	<u> </u>	<u> </u>	<u> </u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 December 2022 are represented by:			
Tangible assets	334,277	18,431	352,708
Investments	4	-	4
Current assets/(liabilities)	37,745	-	37,745
	<u> </u>	<u> </u>	<u> </u>
	372,026	18,431	390,457
	<u> </u>	<u> </u>	<u> </u>

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects of the CIO.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Analysis of net assets between funds (Continued)

Restricted funds are funds given by grants for specific refurbishment works or fixed assets.

18 Related party transactions

During the period Mersea Island Community Trading Company Limited, a subsidiary of the CIO, donated £31,805 (2022: £22,606) to the CIO from whose premises it runs a bar. No conditions are attached to these donations.

At the end of the period, the CIO was owed by the company £4,915 (2022: £1,657), this is unsecured and no conditions are attached.

19 Subsidiaries

Details of the CIO's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Mersea Island Community Trading Company Limited	England and Wales	Hospitality	Ordinary	100	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Mersea Island Community Trading Company Limited	31,599	2,596

20 Non-audit services provided by auditor

In common with many charities of our size and nature we use our auditor to assist with the preparation of the financial statements.

THE MERSEA ISLAND COMMUNITY ASSOCIATION

England & Wales - Charity number 1179484

Accounts

Charity registration number 1179484

**MERSEA ISLAND COMMUNITY ASSOCIATION CIO
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

B Bolton
W Bolton
P Russell-Grant
F Thomas
G Petley
J Lee
P Tydie
R Jenkins
F Rodwell
A Dix

Charity number

1179484

Principal address

The Mersea Centre
38 High Street
West Mersea
Colchester
Essex
CO5 8QA

Auditor

Streets Whittle & Partners LLP
The Old Exchange
64 West Stockwell Street
Colchester
Essex
CO1 1HE

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

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MERSEA ISLAND COMMUNITY ASSOCIATION CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the CIO's governing document, the Charities Act 2011 and "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

The original Association was founded in 1976 by a Trust deed to promote the benefit of the inhabitants of Mersea Island by the advancement of education and the provision of social welfare for recreation and leisure time occupation. The Trust Deed charity was converted to a Charitable Incorporated Organisation (CIO) in 2019.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the CIO should undertake.

Achievements and performance

During the year the Association has continued to operate the Mersea Island Community Centre to provide the following facilities for the benefit of the residents of and visitors to Mersea Island:

A central site comprising a mixture of meeting, function and sports halls that can be used by local organisations and the general public for a variety of functions.

Sports facilities that include a fitness centre, squash and badminton courts, table tennis and carpet bowls. These are augmented by a number of keep fit events for all ages, these include Pilates, Yoga, Keep Fit, Karate, Diddi Dance, Walking Football, Walking Cricket, Tai Chi, Table Tennis, Carpet Bowls.

Theatrical facilities are available which permit rehearsal, dance training and the means to put on amateur shows and plays.

The main and small halls are available to provide regular concerts, film shows, dances, private parties, blood donor sessions, poll facilities, public meetings, tabletop sales and bazaars.

Financial review

It is the policy of the Association that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure.

Costs are monitored, researched and advice taken to ensure that decisions are made to keep costs to a reasonable level. Energy prices have been a concern but we have a grant in place to enable the heating system to be updated in January 2023. The new system will considerably reduce our gas consumption.

The centre running costs were covered from charges made to users and from donations in money and in kind.

Donations made in kind are sold through the Association's own charity shop, which is staffed by volunteers.

Decisions are taken in good time so that any changes to the Association's operations are made in a timely manner in order that the Charity remains financially sound and is able to continue to serve the community.

The Trustees has assessed the major risks to which the CIO is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees and management endeavour to ensure that the Centre is used to best advantage and that every opportunity is taken to take on long term commitments to ensure a steady income.

There is a five-year plan in place to prioritise improvements that need to be made at the centre.

Structure, governance and management

The Association is a Charitable Incorporated Organisation (CIO), subject to the provisions of its Constitution.

The Trustees who served during the year and up to the date of signature of the financial statements were:

B Bolton

W Bolton

P Russell-Grant

F Thomas

G Petley

J Lee

P Tydie

R Jenkins

F Rodwell

A Dix

Each trustee is appointed by a resolution passed at a properly convened meeting of the charity trustees. Appointments are made with regard to the skills, knowledge and experience needed for the effective administration of the CIO.

The day to day operation of the centre in 2022 was the responsibility of the Manager, Mr. Tim Gannon. The manager was assisted by one full time, four part-time staff and a team of volunteers to ensure that the Centre has operated as fully as possible in the year.

Auditor

In accordance with the company's articles, a resolution proposing that Streets Whittle & Partners LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.

B Bolton
Trustee

F Thomas
Trustee

31 July 2023

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the CIO and of the incoming resources and application of resources of the CIO for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

Opinion

We have audited the financial statements of Mersea Island Community Association CIO (the 'CIO') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the CIO in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the CIO's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the CIO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

The audit tests, including planning procedures, adopted for the audit of these financial statements are designed to assess and detect the risk of irregularities, including fraud. Our risk assessment of the likelihood of irregularities included the high degree of involvement of the experienced board members, which reduces the risk of irregularities.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

We identified the laws and regulations applicable to the CIO through discussions with trustees and other management, and from our knowledge and experience of the charity sector;

We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act, VAT legislation and data protection, employment and health and safety legislation;

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence, and reviewing board meeting minutes;

Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We made enquiries with management as to if they considered where there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

We considered the internal controls in place that would mitigate the risks of fraud and non-compliance with laws and regulations.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

We identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and the specific procedures performed to address them are described below:

- We obtained an understanding of the revenue process and the flow of financial information to the general ledger and how this is classified as restricted and unrestricted.
- Cut-off testing was performed at the year-end date by reviewing revenue which had been accrued for and revenue that had been recognised after date to identify any transaction which had been erroneously recognised in the incorrect period. The same testing was carried out for expenditure.
- In line with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we reviewed accounting records for any unusual adjustments.

In addition to the above, our procedures to respond to the risk identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risk of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance for the year.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Insley BA ACA (Senior Statutory Auditor)
for and on behalf of Streets Whittle & Partners LLP

31 July 2023

Chartered Accountants
Statutory Auditor

The Old Exchange
64 West Stockwell Street
Colchester
Essex
CO1 1HE

Streets Whittle & Partners LLP is eligible for appointment as auditor of the CIO by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations and grants	3	28,796	-	28,796	61,138	1,255	62,393
Charitable activities	2	133,541	-	133,541	70,779	-	70,779
Investments	4	184	-	184	189	-	189
Total income		<u>162,521</u>	<u>-</u>	<u>162,521</u>	<u>132,106</u>	<u>1,255</u>	<u>133,361</u>
Expenditure on:							
Charitable activities	5	165,206	4,608	169,814	137,642	7,015	144,657
Net expenditure for the year/ Net movement in funds		(2,685)	(4,608)	(7,293)	(5,536)	(5,760)	(11,296)
Fund balances at 1 January 2022		<u>374,711</u>	<u>23,039</u>	<u>397,750</u>	<u>380,247</u>	<u>28,799</u>	<u>409,046</u>
Fund balances at 31 December 2022		<u><u>372,026</u></u>	<u><u>18,431</u></u>	<u><u>390,457</u></u>	<u><u>374,711</u></u>	<u><u>23,039</u></u>	<u><u>397,750</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	9		352,708		359,694
Investments	10		4		4
			<u>352,712</u>		<u>359,698</u>
Current assets					
Debtors	11	22,789		8,394	
Cash at bank and in hand		31,488		47,485	
		<u>54,277</u>		<u>55,879</u>	
Creditors: amounts falling due within one year	12	(16,532)		(17,827)	
Net current assets			37,745		38,052
Total assets less current liabilities			<u>390,457</u>		<u>397,750</u>
Income funds					
Restricted funds	14		18,431		23,039
Unrestricted funds			372,026		374,711
			<u>390,457</u>		<u>397,750</u>

The financial statements were approved by the Trustees on 31 July 2023

B Bolton
Trustee

F Thomas
Trustee

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Mersea Island Community Association CIO is a Charitable Incorporated Organisation, registered with the Charities Commission.

1.1 Accounting convention

The financial statements have been prepared in accordance with the CIO's Constitution, the Charities Act 2011 and "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)". The CIO is a Public Benefit Entity as defined by FRS 102.

The CIO has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the CIO. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Charity was fortunate to be able to use the government furlough scheme and to benefit from government grants throughout the Covid 19 restrictions. The trustees ensured that the Centre opened gradually as restrictions lifted and that all necessary precautions were taken. It is now their expectation that the Charity will continue as a going concern as it has been able to meet outgoings whilst maintaining the savings account.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the CIO is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the CIO has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Membership subscriptions are released to the Statement of Financial Activities over the period of the membership term.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Income from grants is included in incoming resources when these are receivable, except as follows:

- when donors specify that grants given to the charity must be used in future accounting periods;
- when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the preconditions have been met;
- when donors specify that grants are for restricted purposes which do not amount to preconditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

1.5 Expenditure

Resources expended are recognised in the period in which they are incurred. Resources expended include VAT which cannot be recovered. Governance comprises costs for the running of the charity itself as an organisation.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	No depreciation provided
Development expenditure	No depreciation provided
Fixtures and fittings	20% Reducing Balance / 25% Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in net income/(expenditure) for the year.

A subsidiary is an entity controlled by the CIO. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the CIO reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.9 Financial instruments

The CIO has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the CIO's balance sheet when the CIO becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

Financial assets comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital.

Investments, including those in subsidiary undertakings are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure.

Financial liabilities held at amortised cost comprise all creditors except social security and other taxes, deferred income and provisions.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the CIO is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Charitable activities

	2022	2021
	£	£
Subscription and affiliation fees	10,921	5,482
Activities	30,017	12,166
Shop income	60,551	41,056
Hall hire	32,052	12,075
	<u>133,541</u>	<u>70,779</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Donations and grants

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2022	2021	2021	2021
	£	£	£	£
Donations and gifts	28,796	34,729	1,255	35,984
Coronavirus job retention scheme	-	26,409	-	26,409
	<u>28,796</u>	<u>61,138</u>	<u>1,255</u>	<u>62,393</u>
Donations and gifts				
Essex Community Grant	-	-	1,155	1,155
CO-OP	-	-	100	100
Mersea Island Community Trading Company Limited	22,606	3,000	-	3,000
Other	1,390	5,585	-	5,585
Essex Lottery	-	315	-	315
Colchester Borough Council (COVID Business grants)	4,800	25,329	-	25,329
Lloyds LB Foundation	-	500	-	500
	<u>28,796</u>	<u>34,729</u>	<u>1,255</u>	<u>35,984</u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	184	189
	<u>184</u>	<u>189</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Charitable activities

	2022	2021
	£	£
Staff costs	91,207	73,448
Depreciation and impairment	7,878	9,704
Rates	3,733	2,597
Insurance	7,570	7,565
Light and heat	10,582	8,128
Repairs and general maintenance	15,392	13,587
Postage, printing and telephone	10,566	7,545
Equipment hire	5,010	7,656
Sporting costs	3,996	2,424
Event costs	2,018	1,703
Irrecoverable VAT	5,847	4,868
Bank charges	1,260	702
	<u>165,059</u>	<u>139,927</u>
Share of governance costs (see note 6)	4,755	4,730
	<u>169,814</u>	<u>144,657</u>
Analysis by fund		
Unrestricted funds	165,206	137,642
Restricted funds	4,608	7,015
	<u>169,814</u>	<u>144,657</u>

6 Support costs

	Support costs	Governance costs	2022 Support costs		Governance costs	2021
	£	£	£	£	£	£
Audit fees	-	3,464	3,464	-	3,940	3,940
Accountancy	-	1,291	1,291	-	790	790
	<u>-</u>	<u>4,755</u>	<u>4,755</u>	<u>-</u>	<u>4,730</u>	<u>4,730</u>
Analysed between						
Charitable activities	<u>-</u>	<u>4,755</u>	<u>4,755</u>	<u>-</u>	<u>4,730</u>	<u>4,730</u>

Governance costs includes audit fees of £3,464 (2021: £3,940) and non-audit fees of £1,291 (2021: £790). Both these amounts are due to the auditor.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the CIO during the year.

8 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	7	5
	<u>7</u>	<u>5</u>
Employment costs	2022	2021
	£	£
Wages and salaries	89,086	71,792
Social security costs	776	492
Other pension costs	1,345	1,164
	<u>91,207</u>	<u>73,448</u>
	<u>91,207</u>	<u>73,448</u>

There were no employees whose annual remuneration was more than £60,000.

9 Tangible fixed assets

	Freehold land and buildings £	Development expenditure £	Fixtures and fittings £	Total £
Cost				
At 1 January 2022	27,630	293,815	70,858	392,303
Additions	-	-	892	892
	<u>27,630</u>	<u>293,815</u>	<u>71,750</u>	<u>393,195</u>
At 31 December 2022	27,630	293,815	71,750	393,195
	<u>27,630</u>	<u>293,815</u>	<u>71,750</u>	<u>393,195</u>
Depreciation and impairment				
At 1 January 2022	-	-	32,609	32,609
Depreciation charged in the year	-	-	7,878	7,878
	<u>-</u>	<u>-</u>	<u>40,487</u>	<u>40,487</u>
At 31 December 2022	-	-	40,487	40,487
	<u>-</u>	<u>-</u>	<u>40,487</u>	<u>40,487</u>
Carrying amount				
At 31 December 2022	27,630	293,815	31,263	352,708
	<u>27,630</u>	<u>293,815</u>	<u>31,263</u>	<u>352,708</u>
At 31 December 2021	27,630	293,815	38,249	359,694
	<u>27,630</u>	<u>293,815</u>	<u>38,249</u>	<u>359,694</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Fixed asset investments

	Other investments
Cost or valuation	
At 1 January 2022 & 31 December 2022	4
	<u> </u>
Carrying amount	
At 31 December 2022	4
	<u> </u>
At 31 December 2021	4
	<u> </u>

	Notes	2022	2021
		£	£
Other investments comprise:			
Investments in subsidiaries	18	4	4
		<u> </u>	<u> </u>

11 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	1,657	1,075
Other debtors	20,040	5,922
Prepayments and accrued income	1,092	1,397
	<u> </u>	<u> </u>
	22,789	8,394
	<u> </u>	<u> </u>

12 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Other taxation and social security		1,294	1,039
Deferred income	13	10,115	11,132
Accruals and deferred income		5,123	5,656
		<u> </u>	<u> </u>
		16,532	17,827
		<u> </u>	<u> </u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Deferred income

	2022 £	2021 £
Arising from Membership in advance and production deposits	10,115	11,132
	<u>10,115</u>	<u>11,132</u>

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	10,115	11,132
	<u>10,115</u>	<u>11,132</u>
Movements in the year:		
Deferred income at 1 January 2022	11,132	4,611
Released from previous periods	(11,132)	(4,611)
Resources deferred in the year	10,115	11,132
	<u>10,115</u>	<u>11,132</u>
Deferred income at 31 December 2022	<u>10,115</u>	<u>11,132</u>

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds					
	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Balance at 1 January 2022 £	Resources expended £	Balance at 31 December 2022 £
Centre refurbishment work and fixed assets	28,799	1,255	(7,015)	23,039	(4,608)	18,431
	<u>28,799</u>	<u>1,255</u>	<u>(7,015)</u>	<u>23,039</u>	<u>(4,608)</u>	<u>18,431</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Fund balances at 31 December 2022 are represented by:						
Tangible assets	334,277	18,431	352,708	336,655	23,039	359,694
Investments	4	-	4	4	-	4
Current assets/(liabilities)	37,745	-	37,745	38,052	-	38,052
	<u>372,026</u>	<u>18,431</u>	<u>390,457</u>	<u>374,711</u>	<u>23,039</u>	<u>397,750</u>

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects of the CIO.

Restricted funds are funds given by grants for specific refurbishment works or fixed assets.

16 Operating lease commitments

At the reporting end date the CIO had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	-	4,704

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022	2021
	£	£
Aggregate compensation	31,409	26,306

During the period Mersea Island Community Trading Company Limited, a subsidiary of the CIO, donated £22,606 (2021: £3,000) to the CIO from whose premises it runs a bar. No conditions are attached to these donations.

At the end of the period, the CIO was owed by the company £1,657 (2021: £1,075), this is unsecured and no conditions are attached.

18 Subsidiaries

Details of the CIO's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Mersea Island Community Trading Company Limited	England and Wales	Hospitality	Ordinary		100

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Mersea Island Community Trading Company Limited	22,988	2,806

19 Non-audit services provided by the auditor

In common with many charities of our size and nature we use our auditor to assist with the preparation of the financial statements.

THE MERSEA ISLAND COMMUNITY ASSOCIATION

England & Wales - Charity number 1179484

Accounts

Charity registration number 1179484

**MERSEA ISLAND COMMUNITY ASSOCIATION CIO
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	B Bolton W Bolton P Russell-Grant F Thomas G Petley J Lee P Tydie R Jenkins F Rodwell A Dix
Charity number	1179484
Principal address	The Mersea Centre 38 High Street West Mersea Colchester Essex CO5 8QA
Auditor	Whittles Whittle & Partners LLP The Old Exchange 64 West Stockwell Street Colchester Essex CO1 1HE

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

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MERSEA ISLAND COMMUNITY ASSOCIATION CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the CIO's governing document, the Charities Act 2011 and "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

The original Association was founded in 1976 by a Trust deed to promote the benefit of the inhabitants of Mersea Island by the advancement of education and the provision of social welfare for recreation and leisure time occupation. The Trust Deed charity was converted to a Charitable Incorporated Organisation (CIO) in 2019.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the CIO should undertake.

Achievements and performance

During the year the Association has continued to operate the Mersea Island Community Centre to provide the following facilities for the benefit of the residents of and visitors to Mersea Island:

A central site comprising a mixture of meeting, function and sports halls that can be used by local organisations and the general public for a variety of functions.

Sports facilities that include a fitness centre, squash and badminton courts, table tennis and carpet bowls.

These are augmented by a number of keep fit events for all ages, these include Pilates, Yoga, Carumba, Karate, Hula Hoop, Diddi Dance, Walking Football, Bounce.

Theatrical facilities are available which permit rehearsal, dance training and the means to put on amateur shows and plays.

The main and small halls are available to provide regular concerts, film shows, dances, private parties, blood donor sessions, poll facilities, public meetings, tabletop sales and bazaars.

The Centre has operated as fully as possible within the limits imposed by COVID-19.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

It is the policy of the Association that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure.

Costs are monitored, researched and advice taken to ensure that decisions are made to keep costs to a reasonable level.

The centre running costs were covered from charges made to users and from donations in money and in kind.

Donations made in kind are sold through the Association's own charity shop, which is staffed by volunteers.

This year the running costs have again been assisted through the government furlough scheme for wages and the government grants available in relation to COVID-19. The centre has reopened whenever possible in line with government restrictions. The whole situation has been reviewed on a regular basis so that revenue is maximised and costs are minimised. Decisions are taken in good time so that any changes to the Association's operations are made in a timely manner in order that the Charity remains financially sound and is able to continue to serve the community.

The Trustees has assessed the major risks to which the CIO is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The trustees and management endeavour to ensure that the Centre is used to best advantage and that every opportunity is taken to take on long term commitments to ensure a steady income. There is a five-year plan in place to prioritise improvements that need to be made at the centre.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management

The Association is a Charitable Incorporated Organisation (CIO), subject to the provisions of its Constitution.

The Trustees who served during the year and up to the date of signature of the financial statements were:

B Bolton

W Bolton

P Russell-Grant

F Thomas

G Petley

J Lee

P Tydie

R Jenkins

F Rodwell

A Dix

Each trustee is appointed by a resolution passed at a properly convened meeting of the charity trustees. Appointments are made with regard to the skills, knowledge and experience needed for the effective administration of the CIO.

The day to day operation of the centre in 2021 was the responsibility of the Manager, Mr. Tim Gannon. The manager was assisted by one full time, four part-time staff and a team of volunteers to ensure that the Centre has operated as fully as possible in the year.

The Trustees' report was approved by the Board of Trustees.

B Bolton

Trustee

Dated: 7 July 2022

F Thomas

Trustee

Dated: 7 July 2022

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the CIO and of the incoming resources and application of resources of the CIO for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

Opinion

We have audited the financial statements of Mersea Island Community Association CIO (the 'CIO') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the CIO in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the CIO's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the CIO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

The audit tests, including planning procedures, adopted for the audit of these financial statements are designed to assess and detect the risk of irregularities, including fraud. Our risk assessment of the likelihood of irregularities included the high degree of involvement of the experienced board members, which reduces the risk of irregularities.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

We identified the laws and regulations applicable to the CIO through discussions with trustees and other management, and from our knowledge and experience of the charity sector;

We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act, VAT legislation and data protection, employment and health and safety legislation;

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence, and reviewing board meeting minutes;

Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We made enquiries with management as to if they considered where they was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

We considered the internal controls in place that would mitigate the risks of fraud and non-compliance with laws and regulations.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

We identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and the specific procedures performed to address them are described below:

- We obtained an understanding of the revenue process and the flow of financial information to the general ledger and how this is classified as restricted and unrestricted.
- Cut-off testing was performed at the year-end date by reviewing revenue which had been accrued for and revenue that had been recognised after date to identify any transaction which had been erroneously recognised in the incorrect period. The same testing was carried out for expenditure.
- In line with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we reviewed accounting records for any unusual adjustments.

In addition to the above, our procedures to respond to the risk identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risk of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance for the year.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Whittles

7 July 2022

**Chartered Accountants
Statutory Auditor**

Whittle & Partners LLP
The Old Exchange
64 West Stockwell Street
Colchester
Essex
CO1 1HE

Whittles is eligible for appointment as auditor of the CIO by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<u>Income and endowments from:</u>							
Donations and grants	2	61,138	1,255	62,393	86,310	3,819	90,129
Charitable activities	3	70,779	-	70,779	69,848	-	69,848
Investments	4	189	-	189	103	-	103
Other income	5	-	-	-	140	-	140
Total income		132,106	1,255	133,361	156,401	3,819	160,220
<u>Expenditure on:</u>							
Charitable activities	6	137,642	7,015	144,657	147,749	7,450	155,199
Net (expenditure)/income for the year/ Net movement in funds		(5,536)	(5,760)	(11,296)	8,652	(3,631)	5,021
Fund balances at 1 January 2021		380,247	28,799	409,046	371,595	32,430	404,025
Fund balances at 31 December 2021		374,711	23,039	397,750	380,247	28,799	409,046

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10		359,694		369,397
Investments	11		4		4
			<u> </u>		<u> </u>
			359,698		369,401
Current assets					
Debtors	12	8,394		8,408	
Cash at bank and in hand		47,485		40,297	
		<u> </u>		<u> </u>	
		55,879		48,705	
Creditors: amounts falling due within one year	13	(17,827)		(9,060)	
		<u> </u>		<u> </u>	
Net current assets			38,052		39,645
			<u> </u>		<u> </u>
Total assets less current liabilities			397,750		409,046
			<u> </u>		<u> </u>
			<u> </u>		<u> </u>
Income funds					
Restricted funds	15		23,039		28,799
Unrestricted funds			374,711		380,247
			<u> </u>		<u> </u>
			397,750		409,046
			<u> </u>		<u> </u>
			<u> </u>		<u> </u>

The financial statements were approved by the Trustees on 7 July 2022

B Bolton
Trustee

F Thomas
Trustee

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Mersea Island Community Association CIO is a Charitable Incorporated Organisation, registered with the Charities Commission.

1.1 Accounting convention

The financial statements have been prepared in accordance with the CIO's Constitution, the Charities Act 2011 and "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)". The CIO is a Public Benefit Entity as defined by FRS 102.

The CIO has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the CIO. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Charity was fortunate to be able to use the government furlough scheme and to benefit from government grants throughout the Covid 19 restrictions. The trustees ensured that the Centre opened gradually as restrictions lifted and that all necessary precautions were taken. It is now their expectation that the Charity will continue as a going concern as it has been able to meet outgoings whilst maintaining the savings account.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the CIO is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the CIO has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Membership subscriptions are released to the Statement of Financial Activities over the period of the membership term.

Income from grants is included in incoming resources when these are receivable, except as follows:

- when donors specify that grants given to the charity must be used in future accounting periods;
- when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the preconditions have been met;
- when donors specify that grants are for restricted purposes which do not amount to preconditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

1.5 Expenditure

Resources expended are recognised in the period in which they are incurred. Resources expended include VAT which cannot be recovered. Governance comprises costs for the running of the charity itself as an organisation.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	No depreciation provided
Development expenditure	No depreciation provided
Fixtures and fittings	20% Reducing Balance / 25% Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in net income/ (expenditure) for the year.

A subsidiary is an entity controlled by the CIO. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the CIO reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Financial instruments

The CIO has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the CIO's balance sheet when the CIO becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

Financial assets comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital.

Investments, including those in subsidiary undertakings are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure.

Financial liabilities held at amortised cost comprise all creditors except social security and other taxes, deferred income and provisions.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the CIO is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Donations and grants

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Donations and gifts	34,729	1,255	35,984	42,170	3,819	45,989
Coronavirus job retention scheme	26,409	-	26,409	44,140	-	44,140
	<u>61,138</u>	<u>1,255</u>	<u>62,393</u>	<u>86,310</u>	<u>3,819</u>	<u>90,129</u>
	<u><u>61,138</u></u>	<u><u>1,255</u></u>	<u><u>62,393</u></u>	<u><u>86,310</u></u>	<u><u>3,819</u></u>	<u><u>90,129</u></u>
Donations and gifts						
Essex Community Grant	-	1,155	1,155	-	-	-
Enovert Community Trust	-	-	-	-	3,569	3,569
CO-OP	-	100	100	-	-	-
MIPS	-	-	-	-	250	250
Mersea Island Community Trading Company Limited	3,000	-	3,000	-	-	-
Other	5,585	-	5,585	3,170	-	3,170
Essex Lottery	315	-	315	-	-	-
Colchester Borough Council (COVID Business grants)	25,329	-	25,329	38,500	-	38,500
West Mersea Town Council (COVID Business grants)	-	-	-	500	-	500
Lloyds LB Foundation	500	-	500	-	-	-
	<u>34,729</u>	<u>1,255</u>	<u>35,984</u>	<u>42,170</u>	<u>3,819</u>	<u>45,989</u>
	<u><u>34,729</u></u>	<u><u>1,255</u></u>	<u><u>35,984</u></u>	<u><u>42,170</u></u>	<u><u>3,819</u></u>	<u><u>45,989</u></u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Charitable activities

	2021	2020
	£	£
Subscription and affiliation fees	5,482	6,338
Activities	12,166	9,527
Shop income	41,056	33,892
Hall hire	12,075	20,091
	<u>70,779</u>	<u>69,848</u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	<u>189</u>	<u>103</u>

5 Other income

	Total	Unrestricted funds
	2021	2020
	£	£
Net gain on disposal of tangible fixed assets	-	105
Other income	-	35
	<u>-</u>	<u>140</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Charitable activities

	2021	2020
	£	£
Staff costs	73,448	82,211
Depreciation and impairment	9,704	12,177
Rates	2,597	2,160
Insurance	7,565	7,441
Light and heat	8,128	8,633
Repairs and general maintenance	13,587	7,747
Postage, printing and telephone	7,545	7,432
Equipment hire	7,656	7,656
Sporting costs	2,424	1,608
Event costs	1,703	9,229
Irrecoverable VAT	4,868	4,475
Bank charges	702	680
	<u>139,927</u>	<u>151,449</u>
Share of governance costs (see note 7)	4,730	3,750
	<u>144,657</u>	<u>155,199</u>
	<u><u>144,657</u></u>	<u><u>155,199</u></u>
Analysis by fund		
Unrestricted funds	137,642	147,749
Restricted funds	7,015	7,450
	<u>144,657</u>	<u>155,199</u>
	<u><u>144,657</u></u>	<u><u>155,199</u></u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Support costs

	Support costs £	Governance costs £	2021 Support costs £	Governance costs £	2020 £
Audit fees	-	3,940	3,940	-	3,000
Accountancy	-	790	790	-	750
	<u>-</u>	<u>4,730</u>	<u>4,730</u>	<u>-</u>	<u>3,750</u>
Analysed between					
Charitable activities	-	4,730	4,730	-	3,750
	<u>-</u>	<u>4,730</u>	<u>4,730</u>	<u>-</u>	<u>3,750</u>

Governance costs includes audit fees of £3,940 (2020: £3,000) and non-audit fees of £790 (2020: £750). Both these amounts are due to the auditor.

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the CIO during the year.

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	5	6
	<u>5</u>	<u>6</u>
Employment costs	2021	2020
	£	£
Wages and salaries	71,792	79,177
Social security costs	492	1,611
Other pension costs	1,164	1,423
	<u>73,448</u>	<u>82,211</u>

The number of the employees receiving remuneration and benefits of over £60,000 was nil.

There were no employees whose annual remuneration was more than £60,000.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Tangible fixed assets

	Freehold land and buildings	Development expenditure	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 January 2021	27,630	293,815	70,858	392,303
At 31 December 2021	27,630	293,815	70,858	392,303
Depreciation and impairment				
At 1 January 2021	-	-	22,905	22,905
Depreciation charged in the year	-	-	9,704	9,704
At 31 December 2021	-	-	32,609	32,609
Carrying amount				
At 31 December 2021	27,630	293,815	38,249	359,694
At 31 December 2020	27,630	293,815	47,952	369,397

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Fixed asset investments

		Other investments
Cost or valuation		
At 1 January 2021 & 31 December 2021		4
		<u> </u>
Carrying amount		
At 31 December 2021		4
		<u> </u>
At 31 December 2020		4
		<u> </u>

		2021 £	2020 £
Other investments comprise:	Notes		
Investments in subsidiaries	19	4	4
		<u> </u>	<u> </u>

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	1,075	34
Other debtors	5,922	6,858
Prepayments and accrued income	1,397	1,516
	<u> </u>	<u> </u>
	8,394	8,408
	<u> </u>	<u> </u>

13 Creditors: amounts falling due within one year

		2021 £	2020 £
Other taxation and social security		1,039	699
Deferred income	14	11,132	4,611
Accruals and deferred income		5,656	3,750
		<u> </u>	<u> </u>
		17,827	9,060
		<u> </u>	<u> </u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Deferred income

	2021 £	2020 £
Arising from Membership in advance and production deposits	11,132	4,611
	<u>11,132</u>	<u>4,611</u>

Deferred income is included in the financial statements as follows:

	2021 £	2020 £
Deferred income is included within:		
Current liabilities	11,132	4,611
	<u>11,132</u>	<u>4,611</u>
Movements in the year:		
Deferred income at 1 January 2021	4,611	4,960
Released from previous periods	(4,611)	(4,960)
Resources deferred in the year	11,132	4,611
	<u>11,132</u>	<u>4,611</u>
Deferred income at 31 December 2021	11,132	4,611
	<u>11,132</u>	<u>4,611</u>

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			Balance at 31 December 2021
	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 1 January 2021	Incoming resources	Resources expended	
	£	£	£	£	£	£	£
Centre refurbishment work and fixed assets	32,430	3,819	(7,450)	28,799	1,255	(7,015)	23,039
	<u>32,430</u>	<u>3,819</u>	<u>(7,450)</u>	<u>28,799</u>	<u>1,255</u>	<u>(7,015)</u>	<u>23,039</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:						
Tangible assets	336,655	23,039	359,694	340,598	28,799	369,397
Investments	4	-	4	4	-	4
Current assets/ (liabilities)	38,052	-	38,052	39,645	-	39,645
	<u>374,711</u>	<u>23,039</u>	<u>397,750</u>	<u>380,247</u>	<u>28,799</u>	<u>409,046</u>

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects of the CIO.

Restricted funds are funds given by grants for specific refurbishment works or fixed assets.

17 Operating lease commitments

At the reporting end date the CIO had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	4,704	7,056
Between two and five years	-	4,704
	<u>4,704</u>	<u>11,760</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021	2020
	£	£
Aggregate compensation	26,306	41,136
	<u>26,306</u>	<u>41,136</u>

During the period Mersea Island Community Trading Company Limited, a subsidiary of the CIO, donated £3,000 (2020: £nil) to the CIO from whose premises it runs a bar. No conditions are attached to these donations.

At the end of the period, the CIO was owed by the company £1,075 (2020: owed the company £34), this is unsecured and no conditions are attached.

19 Subsidiaries

Details of the CIO's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Mersea Island Community Trading Company Limited	England and Wales	Hospitality	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Mersea Island Community Trading Company Limited	2,451	2,424

20 Non-audit services provided by the auditor

In common with many charities of our size and nature we use our auditor to assist with the preparation of the financial statements.

THE MERSEA ISLAND COMMUNITY ASSOCIATION

England & Wales - Charity number 1179484

Accounts

Charity Registration No. 1179484

**MERSEA ISLAND COMMUNITY ASSOCIATION CIO
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

B Bolton
W Bolton
P Russell-Grant
F Thomas
G Petley
J Lee
P Tydie
R Jenkins
F Rodwell
A Dix

(Appointed 20 October 2020)

Charity number

1179484

Principal address

The Mersea Centre
38 High Street
West Mersea
Colchester
Essex
CO5 8QA

Auditor

Whittles
Whittle & Partners LLP
The Old Exchange
64 West Stockwell Street
Colchester
Essex
CO1 1HE

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

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Statement of financial activities	8
Balance sheet	9
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MERSEA ISLAND COMMUNITY ASSOCIATION CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the CIO's governing document, the Charities Act 2011 and "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

The original Association was founded in 1976 by a Trust deed to promote the benefit of the inhabitants of Mersea Island by the advancement of education and the provision of social welfare for recreation and leisure time occupation. The Trust Deed charity was converted to a Charitable Incorporated Organisation (CIO) in 2019.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the CIO should undertake.

Achievements and performance

During the year the Association has continued to operate the Mersea Island Community Centre to provide the following facilities for the benefit of the residents of and visitors to Mersea Island:

A central site comprising a mixture of meeting, function and sports halls that can be used by local organisations and the general public for a variety of functions.

Sports facilities that include a fitness centre, squash and badminton courts, table tennis and carpet bowls.

These are augmented by a number of keep fit events for all ages, these include Pilates, Yoga, Carumba, Karate, Hula Hoop, Diddi Dance, Walking Football, Bounce.

Theatrical facilities are available which permit rehearsal, dance training and the means to put on amateur shows and plays.

The main and small halls are available to provide regular concerts, film shows, dances, private parties, blood donor sessions, poll facilities, public meetings, tabletop sales and bazaars.

The Centre has operated as fully as possible within the limits imposed by COVID-19.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

It is the policy of the Association that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure.

Costs are monitored, researched and advice taken to ensure that decisions are made to keep costs to a reasonable level.

The centre running costs were covered from charges made to users and from donations in money and in kind.

Donations made in kind are sold through the Association's own charity shop, which is staffed by volunteers.

This year the running costs have been substantially assisted through the Government furlough scheme for wages and the government grants available in relation to COVID-19. Having closed on 23rd March in line with Government rules, staff were furloughed and relevant grants applied for. The time that the centre would be closed for was unknown so all costs were monitored and any payment holidays available taken. The centre has reopened whenever possible in line with government restrictions and with regard to furlough availability and the possible income that might be achieved from each area of operation. The first area to reopen was the charity shop taking into account all the precautions advised by Government. To compensate members for the period of closure membership for the centre and gym was extended by five months. The whole situation is reviewed on a regular basis so that revenue is maximised and costs minimised. Decisions will be taken in good time so that any changes to the Association's operations are made in a timely manner in order that the Charity remains financially sound and is able to continue to serve the community.

The Trustees has assessed the major risks to which the CIO is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The Association plans to continue operating in line with government regulation and to make use of furlough and grants that are available. The centre will open and activities restart when allowed. The Association will promote new events/activities as it sees fit and which can be accommodated in the building. The trustees and management will endeavour to ensure that the Centre is used to best advantage and that every opportunity is taken to take on long term commitments to ensure a steady income. There is a five-year plan in place to prioritise improvements that need to be made at the centre.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management

The Association is a Charitable Incorporated Organisation (CIO), subject to the provisions of its Constitution.

The Trustees who served during the year and up to the date of signature of the financial statements were:

B Bolton

W Bolton

P Russell-Grant

F Thomas

G Petley

J Lee

P Tydie

R Jenkins

D Reed

(Resigned 6 September 2020)

F Rodwell

A Dix

(Appointed 20 October 2020)

Each trustee is appointed by a resolution passed at a properly convened meeting of the charity trustees. Appointments are made with regard to the skills, knowledge and experience needed for the effective administration of the CIO.

The day to day operation of the centre in 2020 was the responsibility of the Manager, Mr. Tim Gannon and the Assistant Manager Holly Poole who left in September 2020. and has not been replaced. The manager and assistant manager were assisted by one full time, three part-time staff and a team of volunteer duty managers to ensure that the Centre has operated as fully as possible in the year.

The Trustees' report was approved by the Board of Trustees.

B Bolton

Trustee

Dated: 14 May 2021

F Thomas

Trustee

Dated:14 May 2021

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the CIO and of the incoming resources and application of resources of the CIO for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

Opinion

We have audited the financial statements of Mersea Island Community Association CIO (the 'CIO') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the CIO in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 24 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the CIO's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the CIO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The audit tests, including planning procedures, adopted for the audit of these financial statements are designed to assess and detect the risk of irregularities, including fraud. Our risk assessment of the likelihood of irregularities included the high degree of involvement of the experienced directors, which reduces the risk of irregularities. The audit team was competent to assess the risk and identify any potential irregularities.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MERSEA ISLAND COMMUNITY ASSOCIATION CIO

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Rachel Skells BA FCA (Senior Statutory Auditor)
for and on behalf of Whittles

14 May 2021

Chartered Accountants
Statutory Auditor

Whittle & Partners LLP
The Old Exchange
64 West Stockwell Street
Colchester
Essex
CO1 1HE

Whittles is eligible for appointment as auditor of the CIO by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
<u>Income and endowments from:</u>							
Donations and grants	3	86,310	3,819	90,129	390,416	39,709	430,125
Charitable activities	4	69,848	-	69,848	162,636	-	162,636
Investments	5	103	-	103	113	-	113
Other income	6	140	-	140	91	-	91
Total income		156,401	3,819	160,220	553,256	39,709	592,965
<u>Expenditure on:</u>							
Charitable activities	7	147,749	7,450	155,199	181,060	7,280	188,340
Other	11	-	-	-	601	-	601
Total resources expended		147,749	7,450	155,199	181,661	7,280	188,941
Net income/(expenditure) for the year/ Net movement in funds		8,652	(3,631)	5,021	371,595	32,429	404,024
Fund balances at 1 January 2020		371,595	32,430	404,025	-	-	-
Fund balances at 31 December 2020		380,247	28,799	409,046	371,595	32,429	404,024

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12		369,397		368,625
Investments	13		4		4
			<u>369,401</u>		<u>368,629</u>
Current assets					
Stocks	14	-		45	
Debtors	15	8,408		32,727	
Cash at bank and in hand		40,297		13,114	
		<u>48,705</u>		<u>45,886</u>	
Creditors: amounts falling due within one year	16	<u>(9,060)</u>		<u>(10,491)</u>	
Net current assets			39,645		35,395
Total assets less current liabilities			<u>409,046</u>		<u>404,024</u>
Income funds					
Restricted funds	18		28,799		32,429
Unrestricted funds			380,247		371,595
			<u>409,046</u>		<u>404,024</u>

The financial statements were approved by the Trustees on 14 May 2021

B Bolton
Trustee

F Thomas
Trustee

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Mersea Island Community Association CIO is a Charitable Incorporated Organisation, registered with the Charities Commission.

1.1 Accounting convention

The financial statements have been prepared in accordance with the CIO's Constitution, the Charities Act 2011 and "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)". The CIO is a Public Benefit Entity as defined by FRS 102.

The CIO has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the CIO. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

Going concern and COVID-19

The coronavirus pandemic has significantly disrupted individuals' personal lives and businesses' economic prospects in the UK and across the globe. The UK entered lockdown in March 2020 and some restrictions and social distancing provisions remain in place.

The Trustees have an expectation that the Charity has reasonable resources to continue as a going concern despite the Covid 19 pandemic. The Charity has been fortunate to be able to use the government furlough scheme and has benefited from the government grants made available to businesses that had to close. The Charity has been able to meet outgoings whilst maintaining the savings account.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the CIO is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the CIO has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Membership subscriptions are released to the Statement of Financial Activities over the period of the membership term.

1.5 Expenditure

Resources expended are recognised in the period in which they are incurred. Resources expended include VAT which cannot be recovered. Governance comprises costs for the running of the charity itself as an organisation.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	No depreciation provided
Development expenditure	No depreciation provided
Fixtures and fittings	20% Reducing Balance / 25% Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in net income/(expenditure) for the year.

A subsidiary is an entity controlled by the CIO. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the CIO reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.10 Financial instruments

The CIO has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the CIO's balance sheet when the CIO becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Investments, including those in subsidiary undertakings are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes, deferred income and provisions.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the CIO is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Reporting period

The accounting period for Mersea Island Community Association CIO is for twelve months till the 31 December 2020, the previous reporting period was for eleven months. The change was prompted following the transition to a Charitable Incorporated Organisation. Therefore comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

2 Critical accounting estimates and judgements

In the application of the CIO's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	-	-	-	-	-	-
Foyle Foundation	-	-	-	-	15,000	15,000
Enovert Community Trust	-	3,569	3,569	-	11,431	11,431
Colchester Borough Homes	-	-	-	-	1,000	1,000
MIPS	-	250	250	-	1,000	1,000
Mersea Island Community Trading Company Limited	-	-	-	15,232	-	15,232
Colchester Borough Council (COVID Business grants)	38,500	-	38,500	-	-	-
West Mersea Town Council (COVID Business grants)	500	-	500	-	-	-
Other	3,170	-	3,170	5,664	-	5,664
	<u>42,170</u>	<u>3,819</u>	<u>45,989</u>	<u>20,896</u>	<u>28,431</u>	<u>49,327</u>
Coronavirus job retention scheme	44,140	-	44,140	-	-	-
Donation from Mersea Island Community Association charity number 271545	-	-	-	369,520	11,278	380,798
	<u>86,310</u>	<u>3,819</u>	<u>90,129</u>	<u>390,416</u>	<u>39,709</u>	<u>430,125</u>

4 Charitable activities

	2020 £	2019 £
Subscription and affiliation fees	6,338	13,984
Activities	9,527	34,551
Shop income	33,892	67,156
Hall hire	20,091	46,945
	<u>69,848</u>	<u>162,636</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	103	113
	<u> </u>	<u> </u>

6 Other income

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Net gain on disposal of tangible fixed assets	105	-
Other income	35	91
	<u> </u>	<u> </u>
	<u>140</u>	<u>91</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Charitable activities

	2020	2019
	£	£
Staff costs	82,211	86,234
Depreciation and impairment	12,177	10,811
Rates	2,160	4,774
Insurance	7,441	8,962
Light and heat	8,633	13,255
Repairs and general maintenance	7,747	11,828
Postage, printing and telephone	7,432	8,216
Equipment hire	7,656	8,932
Sporting costs	1,608	3,977
Event costs	9,229	17,622
Travel expenses	-	8
Irrecoverable VAT	4,475	4,555
Bank charges	680	727
Professional fees	-	4,189
	<u>151,449</u>	<u>184,090</u>
Share of governance costs (see note 8)	3,750	4,250
	<u>155,199</u>	<u>188,340</u>
Analysis by fund		
Unrestricted funds	147,749	181,060
Restricted funds	7,450	7,280
	<u>155,199</u>	<u>188,340</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Support costs

	Support costs £	Governance costs £	2020 Support costs £	Governance costs £	2019 £
Audit fees	-	3,000	3,000	-	3,400
Accountancy	-	750	750	-	850
	<u>-</u>	<u>3,750</u>	<u>3,750</u>	<u>-</u>	<u>4,250</u>
Analysed between					
Charitable activities	-	3,750	3,750	-	4,250
	<u>-</u>	<u>3,750</u>	<u>3,750</u>	<u>-</u>	<u>4,250</u>

Governance costs includes audit fees of £3,000 (2019: £3,400) and non-audit fees of £750 (2019: £850). Both these amounts are due to the auditor.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the CIO during the year.

10 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	6	6
	<u>6</u>	<u>6</u>
Employment costs	2020	2019
	£	£
Wages and salaries	79,177	82,108
Social security costs	1,611	2,689
Other pension costs	1,423	1,437
	<u>82,211</u>	<u>86,234</u>
	<u>82,211</u>	<u>86,234</u>

The number of the employees receiving remuneration and benefits of over £60,000 was nil.

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Other

	Total Unrestricted funds £ 2020	2019
Net loss on disposal of tangible fixed assets	-	601
	<u>-</u>	<u>601</u>
	<u>-</u>	<u>601</u>

12 Tangible fixed assets

	Freehold land and buildings £	Development expenditure £	Fixtures and fittings £	Total £
Cost				
At 1 January 2020	27,630	293,815	57,991	379,436
Additions	-	-	13,316	13,316
Disposals	-	-	(449)	(449)
At 31 December 2020	<u>27,630</u>	<u>293,815</u>	<u>70,858</u>	<u>392,303</u>
Depreciation and impairment				
At 1 January 2020	-	-	10,811	10,811
Depreciation charged in the year	-	-	12,177	12,177
Eliminated in respect of disposals	-	-	(82)	(82)
At 31 December 2020	<u>-</u>	<u>-</u>	<u>22,906</u>	<u>22,906</u>
Carrying amount				
At 31 December 2020	<u>27,630</u>	<u>293,815</u>	<u>47,952</u>	<u>369,397</u>
At 31 December 2019	<u>27,630</u>	<u>293,815</u>	<u>47,180</u>	<u>368,625</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Fixed asset investments

	Other investments
Cost or valuation	
At 1 January 2020 & 31 December 2020	4
	<u> </u>
Carrying amount	
At 31 December 2020	4
	<u> </u>
At 31 December 2019	4
	<u> </u>

	Notes	2020	2019
Other investments comprise:		£	£
Investments in subsidiaries	23	4	4
		<u> </u>	<u> </u>

14 Stocks

	2020	2019
	£	£
Raw materials and consumables	-	45
	<u> </u>	<u> </u>

15 Debtors

	2020	2019
Amounts falling due within one year:	£	£
Amounts owed by subsidiary undertakings	34	-
Other debtors	6,858	30,353
Prepayments and accrued income	1,516	2,374
	<u> </u>	<u> </u>
	8,408	32,727
	<u> </u>	<u> </u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Other taxation and social security		699	-
Deferred income	17	4,611	4,960
Amounts owed to subsidiary undertakings		-	1,059
Accruals and deferred income		3,750	4,472
		<u>9,060</u>	<u>10,491</u>

17 Deferred income

	2020 £	2019 £
Arising from Membership in advance	4,611	4,960
	<u>4,611</u>	<u>4,960</u>

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Balance at 31 December 2020 £
	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	
Centre refurbishment work and fixed assets	32,430	3,819	(7,450)	28,799
	<u>32,430</u>	<u>3,819</u>	<u>(7,450)</u>	<u>28,799</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Tangible assets	340,598	28,799	369,397	336,196	32,429	368,625
Investments	4	-	4	4	-	4
Current assets/ (liabilities)	39,645	-	39,645	31,826	3,569	35,395
	<u>380,247</u>	<u>28,799</u>	<u>409,046</u>	<u>368,026</u>	<u>35,998</u>	<u>404,024</u>

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects of the CIO.

Restricted funds are funds given by grants for specific refurbishment works or fixed assets.

20 Operating lease commitments

At the reporting end date the CIO had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	7,056	7,056
Between two and five years	4,704	11,172
	<u>11,760</u>	<u>18,228</u>

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020	2019
	£	£
Aggregate compensation	41,136	43,324
	<u>41,136</u>	<u>43,324</u>

During the period Mersea Island Community Trading Company Limited, a subsidiary of the CIO, donated £nil (2019: £15,232) to the CIO from whose premises it runs a bar. No conditions are attached to these donations.

At the end of the period, the CIO was owed by the company £34 (2019: owed the company £1,059), this is unsecured no and conditions are attached.

The CIO took over the activities of Mersea Island Community Charity charity number 271545, an unincorporated charity, during the prior year. As part of this process, the fund balances, assets and liabilities of the unincorporated charity were transferred to the CIO. The total transfer of funds was £380,798.

22 Charitable transfer

The CIO was incorporated to take over the charitable activities of an existing unincorporated charity, Mersea Island Community Association charity number 271545. The assets, liabilities and funds were transferred to the CIO on 1 February 2019, at which point the unincorporated charity was removed from the charities register.

23 Subsidiaries

Details of the CIO's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Mersea Island Community Trading Company Limited	England and Wales	Hospitality	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Mersea Island Community Trading Company Limited	(1,844)	2,973

MERSEA ISLAND COMMUNITY ASSOCIATION CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

24 Non-audit services provided by the auditor

In common with many charities of our size and nature we use our auditor to assist with the preparation of the financial statements.