

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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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	(9,060)		(10,491)	
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>
	140	91
	<u> </u>	<u> </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	3,400
Accountancy	-	750	750	-	850	850
	<u>-</u>	<u>3,750</u>	<u>3,750</u>	<u>-</u>	<u>4,250</u>	<u>4,250</u>
	<u>-</u>	<u>3,750</u>	<u>3,750</u>	<u>-</u>	<u>4,250</u>	<u>4,250</u>
Analysed between						
Charitable activities	-	3,750	3,750	-	4,250	4,250
	<u>-</u>	<u>3,750</u>	<u>3,750</u>	<u>-</u>	<u>4,250</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
	-	601

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	27,630	293,815	70,858	392,303
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	-	-	22,906	22,906
Carrying amount				
At 31 December 2020	27,630	293,815	47,952	369,397
At 31 December 2019	27,630	293,815	47,180	368,625

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
		<hr/>
Carrying amount		
At 31 December 2020		4
		<hr/>
At 31 December 2019		4
		<hr/>

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

14 Stocks

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

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
	<hr/>	<hr/>
	8,408	32,727
	<hr/>	<hr/>

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 1 January 2020	Incoming resources	Resources expended
	£	£	£
Centre refurbishment work and fixed assets	32,430	3,819	(7,450)
	<u>32,430</u>	<u>3,819</u>	<u>(7,450)</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

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.