

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

CONTENTS

	Page
Trustees' report	1 - 2
Statement of Trustees' responsibilities	3
Independent auditor's report	4 - 8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11 - 20

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

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<u>Income from:</u>							
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>
<u>Expenditure on:</u>							
Charitable activities	5	<u>165,206</u>	<u>4,608</u>	<u>169,814</u>	<u>137,642</u>	<u>7,015</u>	<u>144,657</u>
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			<u>37,745</u>		<u>38,052</u>
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	<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
Accountancy	-	1,291	1,291	-	790
	<u>-</u>	<u>4,755</u>	<u>4,755</u>	<u>-</u>	<u>4,730</u>
Analysed between					
Charitable activities	-	4,755	4,755	-	4,730
	<u>-</u>	<u>4,755</u>	<u>4,755</u>	<u>-</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	<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	<u>-</u>	<u>-</u>	<u>40,487</u>	<u>40,487</u>
Carrying amount				
At 31 December 2022	<u>27,630</u>	<u>293,815</u>	<u>31,263</u>	<u>352,708</u>
At 31 December 2021	<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>

		2022 £	2021 £
Other investments comprise:	Notes		
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

		2022 £	2021 £
	Notes		
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	10,115	11,132
	<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 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 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.