

Charity number: 201460

Merton United Charities

Trustees' report and financial statements

for the year ended 31 March 2023

Merton United Charities

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Merton United Charities

Reference and administrative details of the Charity, its Trustees and advisers for the year ended 31 March 2023

Trustees

Rev John Hayward, Chairman¹
Derek Cox, Treasurer²
Bridget Smith (Retired 30 May 2022)³
Stephanie Hitchins³
Ronald Dominy²
Ed Foley³
Cathy Loughran²

¹ Ex Officio

² Co-opted Trustee

³ Nominated Trustee

Charity registered number

201460

Principal office

The Vicarage
St Mary the Virgin
Church Path
London
SW19 3HJ

Principal operating office

49 Tybenham Road
London
SW19 3LB

Accountants

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Montague Place, Quayside
Chatham Maritime, Chatham
Kent, ME4 4QU

Independent Examiners

Susan Robinson BA FCA FCIE DChA
Kreston Reeves LLP
Chartered Accountants
Montague Place, Quayside
Chatham Maritime, Chatham
Kent, ME4 4QU

Merton United Charities

Trustees' report for the year ended 31 March 2023

The Trustees present their annual report together with the financial statements of the Charity for the year from 1 April 2022 to 31 March 2023.

Objectives and activities

a. Policies and objectives

The Charity owns an almshouse containing six one-bedroom flats, providing accommodation restricted by the governing document to "poor women who have resided in the area of benefit (London Borough of Merton) for not less than two years preceding the time of their appointment", with preference given to women who live in the former Parish of Merton.

The Trustees are required to apply the income of the Charity firstly to maintaining the almshouse and secondly to reduce the need, hardship of, in the order of priority:

1. For the benefit of Residents of the Almshouse;
2. For the benefit of the poor of the former Parish of Merton;
3. For the benefit of the poor of the London Borough of Merton.

The Trustees' primary aim is to continue improving the financial position of the Charity in order to ensure the Almshouse is fully maintained to a high standard and in full compliance with latest standards and suitable for continuing use by Residents who are capable of living without 24 hour care.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Achievements and performance

a. Review of activities

The Almshouse was extensively refurbished and modernised in the mid-1990's, though, due to financial constraints, this was achieved to a basic standard.

Within the last five years or so, further refurbishment was undertaken as funds became available, when kitchens and bathrooms were replaced and each unit was provided with new floor coverings. The flats were redecorated and the electrical installations were updated to latest standards.

The Charity has been able to meet all its financial commitments over the year including gardening and maintenance works throughout the Almshouse, whilst continuing to establish healthy designated reserves.

The Trustees continue to meet a minimum of four times per year and undertake pastoral and other duties in addition.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Merton United Charities

Trustees' report (continued) for the year ended 31 March 2023

b. Reserves policy

As previously noted, after a period of economic stagnation resulting in minimal maintenance, the Almshouse was extensively modernised and refurbished in the mid-1990's, modernisation and routine maintenance more recently.

The Trustees have considered the level of reserves they need to enable them to meet their objectives, which is to maintain the property to a high standard, including further refurbishment, repair, redecoration as considered necessary.

They further consider funds are accumulating at a rate appropriate to meeting this objective and have set up designated funds to cover routine, cyclical and planned maintenance & improvement requirements for a building partly of eighteenth century origin.

At the Balance sheet date, after taking into consideration the tangible fixed assets and the fixed asset investments, the Charity has free reserves amounting to £78,960 (2022: £50,019).

Structure, governance and management

a. Constitution

The Charity is constituted under a trust deed, made in 1907, amended and sealed by Order of the Charity Commissioners dated 27 April 1995, is a registered charity number 201460 and is registered with the Almshouse Association.

b. Methods of appointment or election of Trustees

The Body of Trustees consists of:

One Ex-Officio Trustee being the current incumbent of St Mary the Virgin.

Three Nominated and three Co-opted Trustees, who are either resident or work in the area of benefit.

Trustees are nominated by the London Borough of Merton.

Trustees are Co-opted by the Body of Trustees and are usually Church members.

c. Risk management

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems and procedures are in place to mitigate exposure to the major risks. The main risks the Charity faces are: the loss of its residents, resulting in a decrease in the income from social housing lettings; and fluctuations in the value of its listed investments.

Plans for future periods

The Trustees will continue to support the objectives of the Charity for the foreseeable future.

Merton United Charities

Trustees' report (continued) for the year ended 31 March 2023

Statement of Trustees' responsibilities

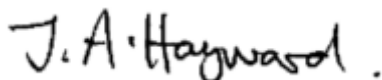
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & 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 Charity and of its income and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the Board of Trustees on 4TH JULY 2023 and signed on their behalf by:



Rev John Hayward
Trustee



Derek Cox
Trustee

Merton United Charities

Independent examiner's report for the year ended 31 March 2023

Independent examiner's report to the Trustees of Merton United Charities ('the Charity')

I report to the Charity Trustees on my examination of the accounts of the Charity for the year ended 31 March 2023.

Responsibilities and basis of report

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

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the Charity has prepared the accounts 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) 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 been withdrawn.

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

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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

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. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:



Susan Robinson

Dated: 18 December 2023

BA FCA FCIE DChA

Kreston Reeves LLP

Chartered Accountants
Montague Place, Quayside
Chatham Maritime, Chatham
Kent, ME4 4QU

Merton United Charities

Statement of financial activities for the year ended 31 March 2023

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Donations and legacies	4	4,200	4,200	-
Charitable activities	5	39,467	39,467	37,596
Investments	6	3,584	3,584	3,379
Total income		47,251	47,251	40,975
Expenditure on:				
Charitable activities	7,8	18,310	18,310	16,427
Total expenditure		18,310	18,310	16,427
Net income before net (losses)/gains on investments		28,941	28,941	24,548
Net (losses)/gains on investments		(2,621)	(2,621)	6,124
Net movement in funds		26,320	26,320	30,672
Reconciliation of funds:				
Total funds brought forward		229,314	229,314	198,642
Net movement in funds		26,320	26,320	30,672
Total funds carried forward		255,634	255,634	229,314

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

The notes on pages 8 to 16 form part of these financial statements.

Merton United Charities

Balance sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	10	85,213	85,213
Investments	11	91,461	94,082
		<u>176,674</u>	<u>179,295</u>
Current assets			
Debtors	12	3,164	4,550
Cash at bank and in hand		79,130	47,629
		<u>82,294</u>	<u>52,179</u>
Creditors: amounts falling due within one year	13	(3,334)	(2,160)
Net current assets		<u>78,960</u>	<u>50,019</u>
Total net assets		<u>255,634</u>	<u>229,314</u>
Charity funds			
Unrestricted funds	14	255,634	229,314
Total funds		<u>255,634</u>	<u>229,314</u>

The financial statements were approved and authorised for issue by the Trustees on 4th November 2023 and signed on their behalf by:

J.A. Hayward.

Rev John Hayward
Trustee

Derek Cox

Derek Cox
Trustee

The notes on pages 8 to 16 form part of these financial statements.

Merton United Charities

Notes to the financial statements for the year ended 31 March 2023

1. General information

Merton United Charities is an unincorporated charity in England and Wales. The registered office is The Vicarage, St Mary the Virgin, Church Path, London, SW19 3HJ. The principal objective of the Charity is the provision of accommodation to "poor women who have resided in the area of benefit (London Borough of Merton) for not less than two years preceding the time of their appointment", with preference given to women who live in the former Parish of Merton. This is as stated in the Charity's governing document.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and 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 Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Merton United Charities meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements have been prepared in UK sterling, being the its functional currency, and rounded to the nearest pound.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**Notes to the financial statements
for the year ended 31 March 2023**

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Social Housing Grant

Where developments have been financed wholly or partly by Social Housing Grant (SHG), the cost of these developments has been reduced by the amount of the grant received.

SHG can be recycled by the Charity under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Homes and Communities Agency. However, SHG may have to be repaid if certain conditions are not met.

The SHG relating to the freehold property of Merton United Charities amounted to £215,695.

2.6 Fixed assets - housing properties

Housing properties are stated at cost less the related SHG.

Depreciation is charged on housing properties excluding freehold land, on a straight line basis over the expected economic useful life of the property. The Trustees believe that the properties will have a life of 100 years.

The Trustees have not accounted for depreciation on the housing properties because the depreciation charge and accumulated depreciation are immaterial using the rates and basis above. The Trustees annually review the materiality of the housing properties depreciation.

When housing properties have suffered a permanent diminution in value, the fall in value is recognised after taking account of any related SHG.

2.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

**Notes to the financial statements
for the year ended 31 March 2023**

2. Accounting policies (continued)

2.9 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.12 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity does not currently have any significant accounting estimates or areas of judgement.

Merton United Charities

Notes to the financial statements for the year ended 31 March 2023

4. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	4,200	4,200	-

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Social housing lettings	39,467	39,467	37,596
Total 2022	37,596	37,596	

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from local listed investments	3,584	3,584	3,379
Total 2022	3,379	3,379	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Charitable activities	18,310	18,310	16,427
Total 2022	16,427	16,427	

Merton United Charities

Notes to the financial statements for the year ended 31 March 2023

8. Analysis of expenditure by activities

	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Charitable activities	18,310	18,310	16,427
	<u>18,310</u>	<u>18,310</u>	<u>16,427</u>
Total 2022	<u>16,427</u>	<u>16,427</u>	

Analysis of support costs

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Telephone	624	624	624
Donations to residents	2,400	2,400	-
Sundry expenses	463	463	438
Maintenance	5,004	5,004	5,481
Cleaning	1,388	1,388	1,280
Clerk's remuneration	3,050	3,050	3,250
Heat and light	820	820	374
Insurance	987	987	922
Independent examination fees	2,376	2,376	2,160
Residents income waived	478	478	1,178
Legal and professional fees	720	720	720
	<u>18,310</u>	<u>18,310</u>	<u>16,427</u>
Total 2022	<u>16,427</u>	<u>16,427</u>	

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

Merton United Charities

Notes to the financial statements for the year ended 31 March 2023

10. Tangible fixed assets

	Freehold property £
Cost less social housing grant	
At 1 April 2022	85,213
At 31 March 2023	<u>85,213</u>
Net book value	
At 31 March 2023	<u>85,213</u>
At 31 March 2022	<u>85,213</u>

As mentioned in the accounting policies, the Charity's freehold property is stated at cost less the Social Housing Grant received of £215,695.

11. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2022	94,082
Revaluations	(2,621)
At 31 March 2023	<u>91,461</u>
Net book value	
At 31 March 2023	<u>91,461</u>
At 31 March 2022	<u>94,082</u>

Fixed asset investments, at market value, comprise listed investments held in the M&G charity multi asset fund GBP Inc. At the Balance sheet date the Charity holds 102,396.743 income shares, which are all held in the UK.

Merton United Charities

Notes to the financial statements for the year ended 31 March 2023

12. Debtors

	2023 £	2022 £
Due within one year		
Other debtors	3,164	4,550

13. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other creditors	958	-
Accruals	2,376	2,160
	3,334	2,160

14. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds					
Designated funds					
Routine maintenance fund	7,373	-	(1,901)	-	5,472
Extraordinary repairs fund	55,000	-	-	-	55,000
Cyclical maintenance fund	2,295	-	-	-	2,295
	64,668	-	(1,901)	-	62,767
General funds					
Reserves	164,646	47,251	(16,409)	(2,621)	192,867
Total Unrestricted funds	229,314	47,251	(18,310)	(2,621)	255,634

**Notes to the financial statements
for the year ended 31 March 2023**

14. Statement of funds (continued)

Designated funds

Routine maintenance fund

Established to provide for the maintenance and repairs of the buildings.

Extraordinary repair fund

Established to provide for the extraordinary repair, improvement or rebuilding of the almshouses.

Cyclical maintenance fund

Established to provide for items of ordinary maintenance of the almshouses, which recur at infrequent intervals.

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds					
Designated funds					
Routine maintenance fund	7,793	-	(420)	-	7,373
Extraordinary repairs fund	55,000	-	-	-	55,000
Cyclical maintenance fund	2,295	-	-	-	2,295
	<u>65,088</u>	<u>-</u>	<u>(420)</u>	<u>-</u>	<u>64,668</u>
General funds					
Reserves	<u>133,554</u>	<u>40,975</u>	<u>(16,007)</u>	<u>6,124</u>	<u>164,646</u>
Total Unrestricted funds	<u><u>198,642</u></u>	<u><u>40,975</u></u>	<u><u>(16,427)</u></u>	<u><u>6,124</u></u>	<u><u>229,314</u></u>

15. Summary of funds

Summary of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2023 £
Designated funds	64,668	-	(1,901)	-	62,767
General funds	164,646	47,251	(16,409)	(2,621)	192,867
	<u><u>229,314</u></u>	<u><u>47,251</u></u>	<u><u>(18,310)</u></u>	<u><u>(2,621)</u></u>	<u><u>255,634</u></u>

**Notes to the financial statements
for the year ended 31 March 2023**

15. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
Designated funds	65,088	-	(420)	-	64,668
General funds	133,554	40,975	(16,007)	6,124	164,646
	<u>198,642</u>	<u>40,975</u>	<u>(16,427)</u>	<u>6,124</u>	<u>229,314</u>

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	85,213	85,213
Fixed asset investments	91,461	91,461
Current assets	82,294	82,294
Creditors due within one year	(3,334)	(3,334)
Total	<u>255,634</u>	<u>255,634</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	85,213	85,213
Fixed asset investments	94,082	94,082
Current assets	52,179	52,179
Creditors due within one year	(2,160)	(2,160)
Total	<u>229,314</u>	<u>229,314</u>

17. Related party transactions

The Charity has not undertaken any related party transactions during the financial year (2022: £Nil) and there are no balances outstanding with them at the Balance sheet date (2022: £Nil).