

Shrewsbury House Community Association Limited

Report and Accounts

Year ended
31 March 2018

Company number 2695822
Charity registration number 1011659

Shrewsbury House Community Association Limited
Report and accounts
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Shrewsbury House Community Association Limited
Financial Statements
Year ended 31 March 2018

Registered charity number 1011659

Company number 2695822

Registered office Bushmoor Crescent
Shooters Hill
London
SE18 3EG

Trustees J. Mills - Chair (appointed Aug 2017)
R. Perrott - Treasurer and Vice Chair (appointed Aug 2017)
A. Jolly - Company Secretary (appointed Aug 2017)
R. Bedfield
A. Brockman (appointed Aug 2017)
J. Macfarlane (appointed Aug 2017)
K. Green (appointed Jan 2018)
M. Aiken (appointed July 2018)
F. Kemp (appointed July 2018)
A. Bralee (appointed July 2018)
P. White (appointed July 2018)
D. Austen (resigned Aug 2017)
P. Ley (resigned Aug 2017)
K. Dickenson (resigned Aug 2017)
G. Sinclair (resigned Aug 2017)
S. Floyd (resigned Aug 2017)
J. Baker (appointed Aug 2017, resigned Aug 2017)
G. Penn (appointed Aug 2017, resigned Nov 2017)

Bankers CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

Accountants and Independent Examiners Michael Adamson and Co
21 The Drive
Hullbridge
Hockley
Essex SS5 6LZ

Trustees Report to the members of Shrewsbury House Community Association Limited

The trustees present their annual report and the financial statements for the period ended 31 March 2018.

The report of the trustees has been prepared in accordance with the Statement of Recommended Practice and Reporting by Charities (SORP FRS102)

Governing documents

The Association is governed by its Memorandum and Articles of Association and is a Charitable Company Limited by Guarantee

Structure, governance and management

The trustees (who form the management committee of the Association) are also directors as defined by the Companies act 1985.

The senior worker (Manager) for the Association during the year was Mrs K Bagnall

Trustees are elected annually at the Annual General Meeting from nominations received from affiliated user groups and full members, as defined within the Memorandum and Articles of Association. All new trustees are given an induction meeting with the Manager that includes all policies, financial arrangements, staffing and a tour of the Association's premises.

The day-to-day management of the Association is by the Manager following policies and procedures agreed by the trustees.

Objects of the charity, principal activities and organisation of our work

The objects of the charity are to promote the benefit of the inhabitants of the Shrewsbury House area and the surrounding neighbourhood in the Royal Borough of Greenwich without distinction of sex, sexual orientation, race or of political, religious or other opinions, in accordance with the local authority's equal opportunities policy, by associating together the said organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure time occupation with the object of improving the conditions of life for the said inhabitants.

The trustees confirm that they have paid due regard to the Charity Commission guidance on public benefit when deciding what activities the charity should undertake.

Vision and mission

"To promote the benefit of the inhabitants of the Shrewsbury House area and the surrounding neighbourhood of the Royal Borough of Greenwich without distinction of sex, sexual orientation, race or of political, religious or other opinions in accordance with the local authority's equal opportunities policy, by associating together the said inhabitants and the local authority, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare, for recreation and leisure time occupation with the object of improving the conditions of life for the said inhabitants."

(Shrewsbury House Community Association Objective)

Trustees Report to the members of Shrewsbury House Community Association Limited Development and achievements this year

In August 2017 Shrewsbury House was in severe financial difficulties, and a new Board of Trustees was appointed. In December 2017, the Board produced a roadmap to sustainability which detailed a number of measures already taken and identified areas for future action. Progress since then has included:

- Changes to the Memorandum and Articles to enable more effective governance.
- Appointing a new Manager with a broadened remit to develop new business and fundraise.
- Inviting tenders for and appointing a company to run the café and in-house catering, leading to increased footfall and positive feedback from users.
- Reviewing and implementing new charges for room and event hire, which will now be assessed annually.
- Agreement with a Borough-wide community radio station to establish its base and studios at Shrewsbury House, which will result in substantial profiling of Shrewsbury House in on-air promotion.
- Co-opting new Trustees with skill sets and areas of expertise to complement and enhance the current provision, including charity management, change management, fundraising and sponsorship, and education.
- Engaging casual employees to support the staff effort at busy times.
- Reviewing expenditure and reducing costs; with a significant improvement in the financial performance of Shrewsbury House as compared to the prior year.
- Conducting a user survey, which shows overwhelming support for the House, for progress made and potential for development.

Financial report

Last year was a period of transition for Shrewsbury House. Having entered financial difficulty during the summer of 2017, the new Board of Trustees set out a new policy on reserves and looked to place the community centre on a more sustainable financial footing. A detailed financial review was undertaken and where possible expenses were curtailed, while maintaining the level of service for centre users. The pricing scheme for the house was also reviewed, and as a result pricing increases were made for room hire. The combination of these steps, together with continued support from Greenwich Council, meant the community centre was able to reverse the sharp financial losses it had recently incurred and moved back into surplus for the financial year. Going forward, the Board is continuing to target financial surpluses so that financial reserves can be rebuilt to more conservative levels. Our priority remains on working towards placing Shrewsbury House on a sustainable financial setting for the long term, which will allow the centre to continue to provide a benefit to its users, the local community and its valued employees.

Transactions and financial position

The financial position is set out in the Statement of Financial Affairs on page 6.

Tangible fixed assets for use by the charity

Details of movements in fixed assets are set out in note 9 to the accounts.

Investment policy and returns

Under the constitution, the charity has the power to make any investment which the trustees see fit. At present, no funds have been invested by the trustees.

Trustees Report to the members of Shrewsbury House Community Association Limited Reserves

The charity commission requires charities to determine and explain their policy for free reserves. This has been explained in note 12 to the accounts.

Trustees

The trustees who served during the year are shown on page 1.

Risk management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions.

The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate any significant risk.

Statement of trustees responsibilities

The trustees are required by law to prepare financial statements for each year which give a true and fair view of the financial activities of the charity and its financial position at the end of the year.

In preparing those financial statements the trustees are required to:

1. select suitable accounting policies and apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. state whether the policies adopted are in accordance with the Charities Act 2011 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements;
4. prepare the financial statements on the going concern basis unless it is inappropriate to assume the charity will continue in operation

Independent examiner

A resolution proposing Michael Adamson and Co be re-appointed as independent examiners of the charity was put to the governing body.

The report of the trustees has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP FRS102) issued July 2014

Approval

This report was approved by the trustees and signed on its behalf

on _____

J. Mills

R. Perrott

Shrewsbury House Community Association Limited
Independent Examiners report

Report of the Independent Examiners to the Members
of Shrewsbury House Community Association Limited

We have examined the financial statements on pages 6 to 15 for the year ended 31 March 2018, which have been prepared under the accounting policies set out on page 9

Respective responsibilities of the trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is our responsibility to:

- * examine the accounts under section 142 of the Charities Act,;
- * to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act; and
- * to state whether particular matters have come to my attention.

Basis of independent examiner's report

Our examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters.

The procedures undertaken do not provide all the evidence that would be required in an audit and consequently we do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with our examination, no matter has come to our attention which indicate that:

- 1) accounting records have not been kept in accordance with section 386 of the Companies Act 2006;
- 2) where accounts are prepared on an accruals basis, whether they fail to comply with relevant accounting requirements under section 396 of the Companies Act 2006, or are not consistent with the Charities SORP (FRS102)
- 3) any matter which the examiner believes should be drawn to the attention of the reader to gain a proper understanding of the accounts.

Michael Adamson and Co
Chartered Accountants

21 The Drive
Hullbridge
Hockley
Essex SS5 6LZ

Date :

Shrewsbury House Community Association Limited
Statement of financial activities
for the year ended 31 March 2018

	Note	Restricted funds 2018	Unrestricted funds 2018	Total funds 2018	Total funds 2017
		£	£	£	£
Income and expenditure					
Incoming resources					
Income from use of facilities and catering	4	-	111,264	111,264	117,561
Grants and donations receivable	2	28,125	3,267	31,392	26,245
Investment income	3	-	7	7	22
Total incoming resources		28,125	114,538	142,663	143,828
Resources expended					
Cost of generating funds					
Direct charitable expenditure	5	28,125	105,845	133,970	164,250
Governance costs	6	-	1,119	1,119	966
Total expenditure		28,125	106,964	135,089	165,216
Net incoming resources for the year		-	7,574	7,574	(21,388)
Statement of other recognised gains and losses					
Net incoming resources before other recognised gains - net movement in funds	7	-	7,574	7,574	(21,388)
Total funds brought forward		-	65,232	65,232	86,620
Total funds carried forward		-	72,806	72,806	65,232
Reconciliation of movement of funds					
Tangible assets		-	1,890	1,890	2,362
Current assets		-	74,582	74,582	65,492
Current liabilities		-	(3,666)	(3,666)	(2,622)
		-	72,806	72,806	65,232

The surplus for the year represents the total recognised gains for the period

None of the charity's activities were acquired or discontinued during the current or previous year

The attached notes form part of these accounts

Shrewsbury House Community Association Limited
Balance Sheet
as at 31 March 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	9	1,890	2,362
Current assets			
Stocks		-	655
Debtors	10	3,946	7,433
Cash at bank and in hand		70,636	57,404
		<u>74,582</u>	<u>65,492</u>
Creditors: amounts falling due within one year			
	11	(3,666)	(2,622)
Net current assets		<u>70,916</u>	<u>62,870</u>
Net assets		<u>72,806</u>	<u>65,232</u>
Reserves			
Accumulated fund	12	72,806	65,232
		<u>72,806</u>	<u>65,232</u>

The management committee are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006 and that members have not required the company to obtain an audit in accordance with section 476 of the Act.

The management committee acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

Approved by the management committee on
and signed on their behalf

J. Mills
Trustee

R. Perrott
Trustee

The attached notes form part of these accounts

Shrewsbury House Community Association Limited
Cash Flow Statement
for the year ended 31 March 2018

		Total funds	Total funds
		2018	2017
		£	£
Net cash used in operating activities	15	13,225	(16,149)
Cash flows from investing activities			
Interest received	3	<u>7</u>	<u>22</u>
Change in cash and cash equivalents in the period		13,232	(16,127)
Cash and cash equivalents brought forward		<u>57,404</u>	<u>73,531</u>
Cash at bank and in hand less overdrafts at 31 March		<u>70,636</u>	<u>57,404</u>
Consisting of:			
Cash at bank and in hand		<u>70,636</u>	<u>57,404</u>

The attached notes form part of these accounts

Shrewsbury House Community Association Limited
Notes to the Accounts
for the year ended 31 March 2018

3 Investment income

	<u>Restricted</u> <u>funds</u> <u>2018</u>	<u>Unrestricted</u> <u>funds</u> <u>2018</u>	<u>Total</u> <u>2017</u>
	£	£	£
General (page 14)	-	7	22
Catering (page 15)	-	-	-
	-	7	22

4 Income from use of facilities and catering

	<u>Restricted</u> <u>funds</u> <u>2018</u>	<u>Unrestricted</u> <u>funds</u> <u>2018</u>	<u>Total</u> <u>2017</u>
	£	£	£
General (page 14)	-	86,091	95,823
Catering (page 15)	-	25,173	21,738
	-	111,264	117,561

5 Direct charitable expenditure

	<u>Restricted</u> <u>funds</u> <u>2018</u>	<u>Unrestricted</u> <u>funds</u> <u>2018</u>	<u>Total</u> <u>2017</u>
	£	£	£
General (page 14)	28,125	84,687	142,293
Catering (page 15)	-	21,158	21,957
	28,125	105,845	164,250

6 Governance costs

	<u>Restricted</u> <u>funds</u> <u>2018</u>	<u>Unrestricted</u> <u>funds</u> <u>2018</u>	<u>Total</u> <u>2017</u>
		£	£
General (page 14)	-	1,119	966
	-	1,119	966

7 Net movement in funds for the year

	<u>2018</u>	<u>2017</u>
	£	£
The net movement is after charging:		
Depreciation of tangible fixed assets	472	738
Independent Examiner's fee	800	650

Shrewsbury House Community Association Limited
Notes to the Accounts
for the year ended 31 March 2018

8 Staff costs

No remuneration was paid to trustees. The staff costs of the remaining staff were:

	<u>2018</u>	<u>2017</u>
	£	£
Wages and salaries	75,484	94,290
Pension costs	461	-
Social security costs	2,945	5,176
	<u>78,890</u>	<u>99,466</u>

The average weekly number of staff employed, calculated as full time equivalents during the year was as follows:

	<u>2018</u>	<u>2017</u>
	FTE	FTE
Direct charitable work	5	5
Governance costs	-	-
	<u>5</u>	<u>5</u>

No employee received remuneration of more than £60,000

Remuneration to key management personnel in the year amounted to £26,061 (2017 : £29,929)

9 Tangible fixed assets

	Equipment £	Catering Equipment £	Total £
Cost			
At 1 April 2017	21,977	5,585	27,562
At 31 March 2018	<u>21,977</u>	<u>5,585</u>	<u>27,562</u>
Depreciation			
At 1 April 2017	19,772	5,428	25,200
Charge for the year	441	31	472
At 31 March 2018	<u>20,213</u>	<u>5,459</u>	<u>25,672</u>
Net book value			
At 31 March 2018	<u>1,764</u>	<u>126</u>	<u>1,890</u>
At 31 March 2017	<u>2,205</u>	<u>157</u>	<u>2,362</u>

10 Debtors

	<u>2018</u>	<u>2017</u>
	£	£
Trade debtors	<u>3,946</u>	<u>7,433</u>

Shrewsbury House Community Association Limited
Notes to the Accounts
for the year ended 31 March 2018

11 Creditors : amounts falling due within one year

	2018	2017
	£	£
Other taxes and social security costs	1,341	1,971
Accruals	2,325	651
	<u>3,666</u>	<u>2,622</u>

12 Accumulated fund

	<u>Restricted</u> <u>funds</u> 2018	<u>Unrestricted</u> <u>funds</u> 2018	<u>Total</u> <u>funds</u> 2018
	£	£	£
At 1 April 2017	-	65,232	65,232
Retained surplus	-	7,574	7,574
At 31 March 2018	<u>-</u>	<u>72,806</u>	<u>72,806</u>
	<u>£</u>	<u>£</u>	<u>£</u>
At 1 April 2016	-	86,620	86,620
Retained surplus	-	(21,388)	(21,388)
At 31 March 2017	<u>-</u>	<u>65,232</u>	<u>65,232</u>

We are targeting £100,000 as a medium term reserves objective, corresponding to approximately 9 months of expenses. In the opinion of the trustees, 9 months of expenses is a prudent level of reserves to hold, and corresponds to: (a) a minimum of 3 months of expenses to cover costs in the event of a forced closure of the centre; (b) an additional 3 months expenses to cover additional unexpected costs; (c) a further buffer of 3 months expenses to cover revenue shortfalls.

To reach our targeted 9 months of surpluses, Shrewsbury House is looking to book surpluses in coming years.

The main risks to us achieving our financial reserves target are:

- A very sharp reduction in our grant from Greenwich council.
- Large and unexpected building maintenance costs.
- Existing groups leave the centre and are not replaced by new groups.
- A change in our lease arrangements with Greenwich council, resulting in the Shrewsbury House Community Association taking on more responsibility for the building.

13 Status

The company, which is a registered charity, is limited by guarantee and has no share capital.

Shrewsbury House Community Association Limited
Notes to the Accounts
for the year ended 31 March 2018

14 Comparative Statement of Financial Activities

	Notes	Restricted 2017 £	Unrestricted 2017 £	Total 2017 £
Incoming resources				
Income from use of facilities and catering	4	-	117,561	117,561
Grants and donations receivable	5	26,115	130	26,245
Investment income	3	-	22	22
Total incoming resources		<u>26,115</u>	<u>117,713</u>	<u>143,828</u>
Resources expended				
Cost of generating funds				
Direct charitable expenditure	5	26,115	138,135	164,250
Governance costs	6	-	966	966
Total expenditure		<u>26,115</u>	<u>139,101</u>	<u>165,216</u>
Statement of other recognised gains and losses				
Net incoming resources before other recognised gains -				
net movement in funds	7	-	(21,388)	(21,388)
Total funds brought forward		-	86,620	86,620
Total funds carried forward		-	65,232	65,232

15 Reconciliation of net movements in funds to net cash flow from operating activities

	2018 £	2017 £
Net movement in funds	7,574	(21,388)
Add back depreciation	472	590
Less interest received	(7)	(22)
Decrease / (increase) in stock	655	-
Decrease / (increase) in debtors	3,487	4,644
Increase / (decrease) in creditors	1,044	27
Net cash used in operating activities	<u>13,225</u>	<u>(16,149)</u>

**Shrewsbury House Community Association Limited
General Income and Expenditure account
for the year ended 31 March 2018**

	2018	2017
	£	£
Income from use of facilities and catering		
Affiliation fees	3,225	3,147
Room Hire	81,761	92,445
Fundraising income	1,105	231
	<u>86,091</u>	<u>95,823</u>
Grants		
Royal Borough of Greenwich	28,125	26,115
Other grants and donations	3,267	130
Investment income		
Interest receivable	7	22
Catering (page 13)	<u>4,015</u>	<u>(219)</u>
Total income	<u>121,505</u>	<u>121,871</u>
EXPENSES		
Direct Charitable Expenses		
Wages, salaries and pension costs	78,429	99,466
Travel and subsistence	410	748
Water rates	711	762
Light and heat	7,464	12,441
Cleaning	360	-
Repairs and maintenance	12,581	13,490
Alarm maintenance	1,458	1,250
Insurance	1,806	1,804
Janatorial	4,087	1,007
Telephone and fax	3,207	3,153
Subscriptions	-	266
Stationery, postage and printing	405	3,256
Promotion and website expenses	405	3,333
Sundry expenses	716	726
Bank charges	332	40
Depreciation	441	551
	<u>112,812</u>	<u>142,293</u>
Governance costs		
Legal and professional costs	319	316
Independent examiners fees	800	650
	<u>1,119</u>	<u>966</u>
Total expenses	<u>113,931</u>	<u>143,259</u>
Surplus for the year	<u>7,574</u>	<u>(21,388)</u>

Shrewsbury House Community Association Limited
Catering Income and Expenditure account
for the year ended 31 March 2018

	2018	2017
	£	£
Income from use of facilities		
Bar and Coffee Bar	21,473	9,520
Meals and refreshments	<u>3,700</u>	<u>12,218</u>
Total income	<u>25,173</u>	<u>21,738</u>
Direct Charitable Expenses		
Cost of sales		
Purchases	20,283	21,322
Equipment repairs	844	596
Depreciation	<u>31</u>	<u>39</u>
	<u>21,158</u>	<u>21,957</u>
Surplus for year	<u>4,015</u>	<u>(219)</u>