

Shrewsbury House Community Association Limited

Report and Accounts

Year ended
31 March 2019

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
R. Perrott - Treasurer and Vice Chair
K. Green - Company Secretary
R. Belfield
A. Brockman
J. Macfarlane
M. Aiken
F. Kemp
A. Bralee
P. White (resigned December 2018)
A. Jolly (resigned January 2019)

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 2019.

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 Ms S Maloney.

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. The new Board, working closely with staff, significantly overhauled the operating approach of Shrewsbury House, with the objective to place the community centre on much stronger financial foundations whilst improving the level of service to our users. 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.
- 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.
- Inviting tenders to secure an external provider for the café service and in-house catering.
- Reviewing and implementing new charges for room and event hire, which are now assessed annually.
- Entering an agreement with a charity focusing on individuals recovering from brain injury to establish itself in a number of rooms at Shrewsbury House on a full-time basis.
- Entering an 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.
- Closely reviewing expenditure and reducing costs; which has resulted in a significant improvement in the financial performance of Shrewsbury House over the last two years.
- Conducting ongoing user surveys to identify potential areas for development and to further enhance our offering to users.
- Securing a grant of £20k per year from Greenwich Council for the period from 2019 to 2023. We anticipate using these funds to enhance the service we provide to our users whilst achieving our reserves goal.

Financial report

Last year, Shrewsbury House's financial position continued to strengthen. This is a marked improvement from 2 years ago, when the Shrewsbury House entered severe financial difficulties.

As a result of the improvements in our financial position, we were able to hold our room charge rates for users at a flat level for the financial year ending March 2020. We review our charges annually, and will endeavour going forward to minimize pricing increases where possible. Last year, we were also pleased to secure funding from Greenwich Council for the period 2019-2023, which provide us with greater clarity on the medium-term outlook for Shrewsbury House.

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.

**Trustees Report to the members of
Shrewsbury House Community Association Limited
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.

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 10/09/2019

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 2019, 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 : 6/11/19

Shrewsbury House Community Association Limited
Statement of financial activities
for the year ended 31 March 2019

	Note	Restricted funds 2019	Unrestricted funds 2019	Total funds 2019	Total funds 2018
		£	£	£	£
Income and expenditure					
Incoming resources					
Income from use of facilities and catering	4	-	132,549	132,549	111,264
Grants and donations receivable	2	22,535	2,131	24,666	31,392
Investment income	3	-	-	-	7
Total incoming resources		22,535	134,680	157,215	142,663
Resources expended					
Cost of generating funds					
Direct charitable expenditure	5	22,535	111,570	134,105	133,970
Governance costs	6	-	2,406	2,406	1,119
Total expenditure		22,535	113,976	136,511	135,089
Net incoming resources for the year		-	20,704	20,704	7,574
Statement of other recognised gains and losses					
Net incoming resources before other recognised gains - net movement in funds					
	7	-	20,704	20,704	7,574
Total funds brought forward		-	72,806	72,806	65,232
Total funds carried forward		-	93,510	93,510	72,806
Reconciliation of movement of funds					
Tangible assets		-	2,191	2,191	1,890
Current assets		-	97,566	97,566	74,582
Current liabilities		-	(6,247)	(6,247)	(3,666)
		-	93,510	93,510	72,806

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 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	9	2,191	1,890
Current assets			
Debtors	10	13,700	3,946
Cash at bank and in hand		83,866	70,636
		<u>97,566</u>	<u>74,582</u>
Creditors: amounts falling due within one year			
	11	(6,247)	(3,666)
Net current assets		<u>91,319</u>	<u>70,916</u>
Net assets		<u>93,510</u>	<u>72,806</u>
Reserves			
Accumulated fund	12	93,510	72,806
		<u>93,510</u>	<u>72,806</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 10/9/19
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 2019

		Total funds 2019 £	Total funds 2018 £
Net cash used in operating activities	15	14,078	13,225
Cash flows from investing activities			
Coast of fixed assets		(848)	
Interest received	3	-	7
Change in cash and cash equivalents in the period		<u>13,230</u>	<u>13,232</u>
Cash and cash equivalents brought forward		<u>70,636</u>	<u>57,404</u>
Cash at bank and in hand less overdrafts at 31 March		<u>83,866</u>	<u>70,636</u>
Consisting of:			
Cash at bank and in hand		<u>83,866</u>	<u>70,636</u>

The attached notes form part of these accounts

Shrewsbury House Community Association Limited
Notes to the Accounts
for the year ended 31 March 2019

3 Investment income

	<u>Restricted</u> <u>funds</u> <u>2019</u>	<u>Unrestricted</u> <u>funds</u> <u>2019</u>	<u>Total</u> <u>2018</u>
	£	£	£
General (page 14)	-	-	7
Catering (page 15)	-	-	-
	-	-	7

4 Income from use of facilities and catering

	<u>Restricted</u> <u>funds</u> <u>2019</u>	<u>Unrestricted</u> <u>funds</u> <u>2019</u>	<u>Total</u> <u>2018</u>
	£	£	£
General (page 14)	-	106,555	86,091
Catering (page 15)	-	25,994	25,173
	-	132,549	111,264

5 Direct charitable expenditure

	<u>Restricted</u> <u>funds</u> <u>2019</u>	<u>Unrestricted</u> <u>funds</u> <u>2019</u>	<u>Total</u> <u>2018</u>
	£	£	£
General (page 14)	22,535	97,935	112,812
Catering (page 15)	-	13,635	21,158
	22,535	111,570	133,970

6 Governance costs

	<u>Restricted</u> <u>funds</u> <u>2019</u>	<u>Unrestricted</u> <u>funds</u> <u>2019</u>	<u>Total</u> <u>2018</u>
		£	£
General (page 14)	-	2,406	1,119
	-	2,406	1,119

7 Net movement in funds for the year

	<u>2019</u>	<u>2018</u>
	£	£
The net movement is after charging:		
Depreciation of tangible fixed assets	547	472
Independent Examiner's fee	750	800

Shrewsbury House Community Association Limited
Notes to the Accounts
for the year ended 31 March 2019

8 Staff costs

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

	<u>2019</u>	<u>2018</u>
	£	£
Wages and salaries	74,184	75,023
Pension costs	848	461
Social security costs	5,086	2,945
	<u>80,118</u>	<u>78,429</u>

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

	<u>2019</u>	<u>2018</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 £25,552 (2017 : £26,021)

9 Tangible fixed assets

	Equipment	Catering	Total
	£	£	£
Cost			
At 1 April 2018	21,977	5,585	27,562
Additions	848	-	848
At 31 March 2019	<u>22,825</u>	<u>5,585</u>	<u>28,410</u>
Depreciation			
At 1 April 2018	20,213	5,459	25,672
Charge for the year	522	25	547
At 31 March 2019	<u>20,735</u>	<u>5,484</u>	<u>26,219</u>
Net book value			
At 31 March 2019	<u>2,090</u>	<u>101</u>	<u>2,191</u>
At 31 March 2018	<u>1,764</u>	<u>126</u>	<u>1,890</u>

10 Debtors

	<u>2019</u>	<u>2018</u>
	£	£
Trade debtors	<u>13,700</u>	<u>3,946</u>

Shrewsbury House Community Association Limited
Notes to the Accounts
for the year ended 31 March 2019

11 Creditors : amounts falling due within one year

	2019	2018
	£	£
Other taxes and social security costs	1,569	1,341
Accruals	4,678	2,325
	<u>6,247</u>	<u>3,666</u>

12 Accumulated fund

	<u>Restricted</u> <u>funds</u> 2019	<u>Unrestricted</u> <u>funds</u> 2019	<u>Total</u> <u>funds</u> 2019
	£	£	£
At 1 April 2018	-	72,806	72,806
Retained surplus	-	20,704	20,704
	<u>-</u>	<u>93,510</u>	<u>93,510</u>
At 31 March 2019	-	93,510	93,510

	<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
	<u>-</u>	<u>72,806</u>	<u>72,806</u>
At 31 March 2018	-	72,806	72,806

We are targeting ~£100,000 as a medium term reserves objective, corresponding to approximately 9 months of expenses. To reach our targeted 9 months of surpluses, Shrewsbury House is looking to book surpluses in coming years.

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. Over time we expect Shrewsbury House's cost base to increase as we seek to improve the level of service to users. As this happens, we will increase our medium term target of ~£100,000 to reflect the greater cost base.

The main risks to us achieving our financials 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.

Shrewsbury House Community Association Limited
Notes to the Accounts
for the year ended 31 March 2019

13 Status

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

14 Comparative Statement of Financial Activities

	Notes	Restricted 2018 £	Unrestricted 2018 £	Total 2018 £
Incoming resources				
Income from use of facilities and catering	4	-	111,264	111,264
Grants and donations receivable	5	28,125	3,267	31,392
Investment income	3	-	7	7
Total incoming resources		<u>28,125</u>	<u>114,538</u>	<u>142,663</u>
Resources expended				
Cost of generating funds				
Direct charitable expenditure	5	28,125	105,845	133,970
Governance costs	6	-	1,119	1,119
Total expenditure		<u>28,125</u>	<u>106,964</u>	<u>135,089</u>
Statement of other recognised gains and losses				
Net incoming resources before other recognised gains -				
net movement in funds	7	-	7,574	7,574
Total funds brought forward		-	65,232	65,232
Total funds carried forward		<u>-</u>	<u>72,806</u>	<u>72,806</u>

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

	2019 £	2018 £
Net movement in funds	20,704	7,574
Add back depreciation	547	472
Less interest received	-	(7)
Decrease / (increase) in stock	-	655
Decrease / (increase) in debtors	(9,754)	3,487
Increase / (decrease) in creditors	2,581	1,044
Net cash used in operating activities	<u>14,078</u>	<u>13,225</u>

Shrewsbury House Community Association Limited
General Income and Expenditure account
for the year ended 31 March 2019

	2019	2018
	£	£
Income from use of facilities and catering		
Affiliation fees	2,625	3,225
Room Hire	103,064	81,761
Fundraising income	866	1,105
	<u>106,555</u>	<u>86,091</u>
Grants		
Royal Borough of Greenwich	22,535	28,125
Other grants and donations	2,131	3,267
Investment income		
Interest receivable	-	7
Catering (page 13)	<u>12,359</u>	<u>4,015</u>
Total income	<u>143,580</u>	<u>121,505</u>
EXPENSES		
Direct Charitable Expenses		
Wages, salaries and pension costs	80,118	78,429
Travel and subsistence	-	410
Water rates	961	711
Light and heat	13,180	7,464
Cleaning	360	360
Repairs and maintenance	4,594	12,581
Alarm maintenance	2,173	1,458
Insurance	1,809	1,806
Janatorial	1,751	4,087
Telephone and fax	3,153	3,207
Fundraising expenses	648	-
Stationery, postage and printing	2,453	405
Bad debts	6,677	-
Bookkeeping charges	675	-
Promotion and website expenses	370	405
Sundry expenses	666	716
Bank charges	360	332
Depreciation	522	441
	<u>120,470</u>	<u>112,812</u>
Governance costs		
Legal and professional costs	1,656	319
Independent examiners fees	750	800
	<u>2,406</u>	<u>1,119</u>
Total expenses	<u>122,876</u>	<u>113,931</u>
Surplus for the year	<u>20,704</u>	<u>7,574</u>

Shrewsbury House Community Association Limited
Catering Income and Expenditure account
for the year ended 31 March 2019

	2019	2018
	£	£
Income from use of facilities		
Bar and Coffee Bar	19,462	21,473
Meals and refreshments	6,532	3,700
Total income	<u>25,994</u>	<u>25,173</u>
Direct Charitable Expenses		
Cost of sales		
Purchases	11,860	20,283
Equipment repairs	1,750	844
Depreciation	25	31
	<u>13,635</u>	<u>21,158</u>
Surplus for year	<u>12,359</u>	<u>4,015</u>